Blue Crane Route Municipality (EC102)

Annual Report 2016/2017

TABLED TO COUNCIL ON 31 JANUARY 2018

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CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

Let me on behalf of the Blue Crane Route Local Council take this opportunity to table the 2016/17 Annual Report as required in terms of Section 127 of the Municipal Finance Management Act, No 56 of 2003 . It is indeed my great honour to report on the highlights and challenges faced during the year under review. The year 2016/17 has been a daunting year as it constituted the first year of the new term of the current Council after the August 2016 Local Government Elections. This marked a vote of confidence by the people of Blue Crane Route Municipality who elected us as their Public Representatives to advance their hopes and aspirations for the next five (5) years. For this we dare not disappoint them.

The year also presented an opportunity for the new Council to craft its strategy for the next five years. The strategy is encapsulated in the IDP 2017-2022 which was adopted by Council during May 2017. This required an extensive public engagements with various stakeholders and the community at large . This culminated in a strategic planning session by senior managers and councillors . Some of the highlights were the establishment of various Standing Committees of Council , MPAC , the induction of Councillors , various capacity building initiatives for councillors, election of Ward Committees members etc . These and many other interventions made will have a long-lasting impact in setting out a foundation for good governance at BCRM.

At the service delivery front , the municipality also achieved tremendous strides in bringing better life to the community of Blue Crane. Of note is the completion of the Cookhouse and Pearston sports fields. These sportsfields will go a long way in promoting sport interest among our youth. We hope our community will treasure and safeguard these amenities against vandalism and thuggery.

During the year under review , we also faced various challenges. These relate inter-alia to, i.e , cashflow challenges , stray animals, illegal strikes by workers. We hope that Management with the support of Council will devise effective measures to overcome these challenges.

I wish to thank Management , workers and Council for the support given during the period of my stewardship as Mayor of Blue Crane.

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

It gives me great pleasure as an Accounting Officer to table the 2016/17 Annual Report of the Blue Crane Route Local Municipality. In any organisation including municipalities, an Annual Report serves as an instrument and statement of accountability. It seeks to give an account of the progress made and challenges faced in the implementation of the developmental objectives of the organisation. It is on this basis that this Annual Report is tabled to the Council and the communities of Blue Crane Route Local Municipality.

The year under review has been a relatively successful year for the BCRM. We commenced the financial year with a new Council term after the 3 August 2016 Local Government Elections. The BCRM been relatively stable with a robust but matured political and administrative interface. We embarked on the Inauguration and Induction of all incoming Councillors . The 5 year IDP were adopted by Council after wide consultation with all the relevant stakeholders including community meetings. Audit Committee meetings were convened as scheduled to receive Management and Internal Audit reports. Performance Agreements were signed and Performance Reviews at senior management level is being implemented and performance reports submitted to Council. During the period under review, the BCRM has also been able to review its Fraud and Anti-corruption Policy and Prevention Plan and subsequently submitted to council for adoption.

We also continue to make strides in the provision of basic services to our communities. We do so faced by financial and budget constraints due to declining grants from national fiscus and cash-flow challenges. The construction of the Sportsfields in Cookhouse and Pearston was completed.

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1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

BLUECRANE ROUTE MUNICIPAL VISION, MISSION AND VALUES:

The BCR municipality is "A municipality that strives to provide a better life for all its citizens". The vision is aligned to the five development priorities and the national and provincial government strategic frameworks. The plans and budgets of the BCR are also designed /developed to achieve the vision.

The main purpose of a vision statement is to link the current situation with the future potential of an area. As such a vision statement plays a central role throughout the various processes of the IDP. It guides the prioritisation of needs, the setting of objectives and the implementation of various strategies and projects. The vision statement should be brief, inspiring, realistic, relevant and mobilising. It is important to reflect on the vision and mission of the municipality as a reminder of the direction the municipality should take in deciding on programmes on projects.

The vision and mission of BCRM is:

VISION

"A municipality that strives to provide a better life for all its citizens."

MISSION

Through responsible local government, zero tolerance for corruption and creating an environment for upliftment and sustainable economic growth."

Values

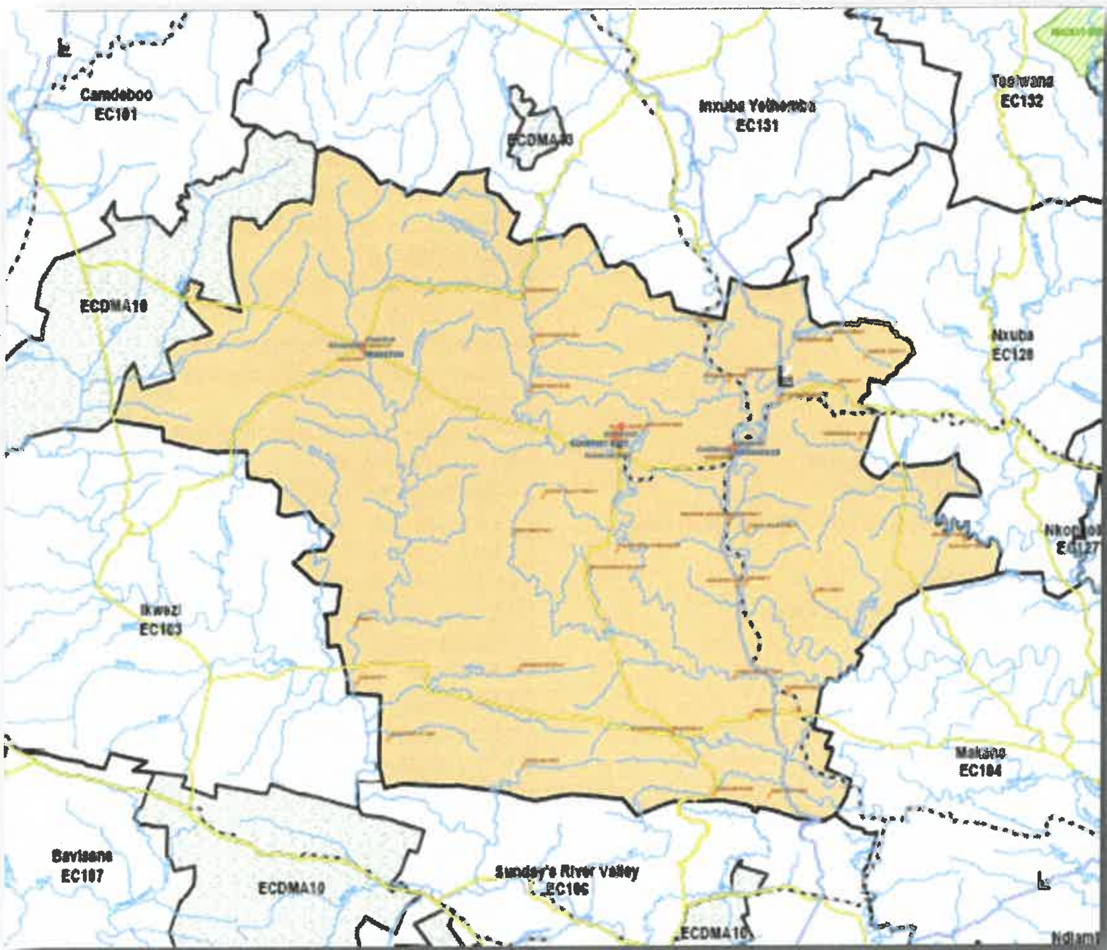
- Good governance;
- Accountability;
- Public Participation;
- People Development;
- Team work;
- Integrity;
- Tolerance;
- Honesty;
- Responsibility; and trust

1.2.1 MUNICIPAL FUNCTIONS

The municipal mandate stems from the section 156 of the Constitutions (Act 108 of 1996) which assigns powers and functions drawing from the schedules 4b & 5b. In terms of the Part B of schedule 4 and 5 of the Constitution, local government has the following functions.

Schedule 4 Part B	Schedule 5 Part B
Powers exercised by the BCRM	**Powers exercised by the BCRM**
• Air pollution • Building regulations • Child care facilities • Electricity and gas reticulation • Firefighting services • Local tourism • Municipal airports • Municipal planning • Municipal health services • Municipal public transport • Municipal public works • Stormwater management systems in built-up areas • Trading regulations • Water and sanitation services	• Beaches and amusement facilities • Billboards and the display of advertisements in public places • Cemeteries, funeral parlours and crematoria • Cleansing • Control of public nuisances • Control of undertakings that sell liquor to the public • Facilities for the accommodation, care and burial of animals • Fencing and fences • Licensing of dogs • Licensing and control of undertakings that sell food to the public • Local amenities • Local sport facilities • Markets • Municipal abattoirs • Municipal parks and recreation • Municipal roads • Noise pollution • Pounds • Public places • Refuse removal, refuse dumps and solid waste disposal • Street trading • Street lighting • Traffic and parking

1.2.2 POPULATION AND ENVIRONMENTAL OVERVIEW



The Blue Crane Route Municipality falls within the jurisdiction of the Sarah Baartman District Municipality. The Municipality's area is bordered on the North-east by Nxuba Municipality, North-west of Inxuba Yethemba municipality, South of Makana Municipalities and the South-west of Sundays River Valley municipality. The Blue Crane Route Municipality is located at 67 Nojoli Street, Somerset East.

The Blue Crane Route area comprises of the primary node of Somerset East which is the main commercial hub, two secondary service centres, two rural settlements and vast rural commercial farmlands. Per the Community survey that was conducted 2016, the municipality's population has moved from 36002 to 36 063 ,1.7% growth rate.

The figures below reflect the findings per Census 2011, the community survey 2016 reflects the overrall growth of the area not at ward level

- Somerset East (Wards 2, 3 and 5 = 19172)
    - Aeroville, Clevedon, Mnandi, Old Location, New Brighton, Westview and Uitkeer.
- Cookhouse (Wards 1 and 6 = 10 898)
    - Bhongweni and Newtown
    - Golden Valley and Middleton rural nodes.
- Pearston(Ward 4 = 5 933)
    - Nelsig and Khanyiso
    -

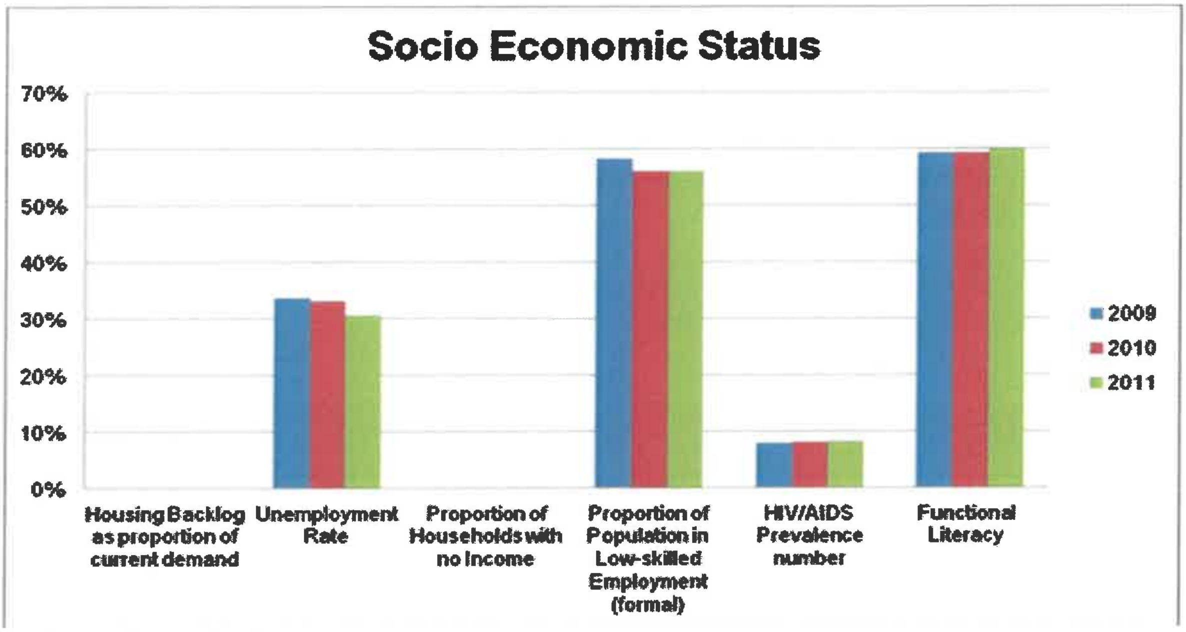
Somerset East is the administrative seat of the municipality and situated at the foot of the Boschberg Mountain. Eleven councillors have been elected and the seat of the municipality is situated in Somerset East.

1.2.3. DEMOGRAPHICS TRENDS :AGE DISTRIBUTION, GENDER, POPULATION GROUPING AND HEAD OF HOUSEHOLD

DEMOGRAPHICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	%	GROWTH % p.a
Blue Crane Route Total Population	35407	36002		**0.17**	**36063**		**1.7%**
Age distribution	**35 005**	**36 003**			**36063**		
0-14	10 293	10517	29.2	0.2	11824	32.8	2.34
15-64	22 485	22962	63.8	0.2	20471	56.8	-0.96
65+	2 227	2524	7.0	1.3	3768	10.5	-1.45
Gender	**35 003**	**36 002**			**36063**		
Male	16806	17680	49.1	0.5	17841	49.5	-
Female	18197	18322	50.9	0.1	18223	50.5	-
Population Grouping	**35 003**	**36 001**					
Black	20861	21247	59.0	0.19	21283	59.0	-
Coloured	11515	11888	33.0	0.32	13283	36.8	-
White	2606	2453	6.8	-0.6	1448	4.0	-
Indian/Asian	21	118	0.3	46.2	50	0.1	-
Other	0	295	0.8	-	-		-
Head of Household: Gender	**9 595**	**9 761**					
Male	6 486	5 927	60.7	-0.9	-		-
Female	3 109	3 834	39.3	2.3	-		-

The population has increased by 595 people over the past 10 years. This is reflective of a 0.17% compound average population growth rate from 2001 to 2011. There is parity in the sex ratio with 9.6 males for every 10 females.

Community survey 2016 reflects that 32 .8 % of the population is dominated by young people under 15 year of age and 30.76 % is the youth below the age of 35, which requires intergovernmental planning efforts to jointly focus on improved education system, creation of employment opportunities and provision of sports and recreation facilities. The high number of children could also be an indication of a dependency on child support grants.



Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment (formal)	HIV/AIDS Prevalence number	Functional Literacy
2009	N/A	33.7%	N/A	58.2%	7.9%	59.3%
2010	N/A	33.2%	N/A	56.1%	8.1%	59.2%
2011	N/A	30.7%	N/A	56.0%	8.2%	60.0%
ECSECC Data 2011						

In terms of Socio Economic data, the table above illustrates a gradually declining unemployment rate (33, 7% in 2009 to 30, 7% 2011). This marginal decline does bode well for economic growth in the municipality however it still needs to be properly determined where the actual source of this employment is coming from. 56% of the labour force in the municipality is involved in low skilled labour thus earn relatively lower wages. This proportion has been declining though and thus represents the transformation of the local economy and the need for higher skilled labour force.

StatsSA 2011 reflects that poverty levels are high with 46.1% of the population not receiving any income, and a further 10.8% earn less than R801 per month, therefore technically falling under the

poverty line. This is exacerbated by the fact that 65.7% of the potential labour force are not working. The population lack buying power which makes it difficult to exploit local economic development opportunities and the situation implies a high dependency on social grants. Interventions must be created and expedited to support poor communities.

The potential economic active labour force accounts for 60.2% of the total population which reinforces the need to boost the economy and stimulate job growth.

StatsSA indicates that 15.2% of the potential workforce is unemployed and a further 50.5% are not economically active in 2011. The remaining 34.3% of the labour force is employed. The overall dependency ratio is 56.8 persons per hundred population of working age. StatsSA 2011 also concludes that 1 953 of the youth in Blue Crane Route are unemployed.

Stats SA 2011 shows that 8.24% of the population over 20 years of age have not received any schooling. The figure is moderate and furthermore shows a decline or negative growth of -36.6% for the past decade (since 2001), when 4 088 or 19.6% of the population over 20 years had not undergone any schooling.

Overview of Neighbourhoods within Blue Crane Municipality		
Settlement Type	**Households**	**Population**
Towns		
Somerset East	**4 974**	**19 173**
Pearston	**1 229**	**5 933**
Cookhouse	**1 566**	**10 897**
Sub-Total	**7 769**	**36 003**
Townships		
Aeroville	1068	
New brighton	337	
Old location	357	
Chris hani	384	
Vosloodaal	269	
Westview	35	
Francis vale	343	
Mnandi	1022	
Sub-Total	3815	
Rural settlements		
Sub-Total	**611**	
Informal settlements		
	800	
Sub-Total	**800**	
Total	**9 180**	**36 003**
		T 1.2.6

1.2. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Blue Crane Route Local Municipality like other municipalities in the country is faced with challenges related to the stagnation and / or decline in national grants allocations. Coupled to this were also challenges related to the under-collection , electricity losses , water losses and this resulted to cash-flow challenges being experience by the municipality during the period under review.

Service Delivery is the face of the Municipality, where services are rendered and maintenance on an ongoing basis. The BCRM as a Water Services Authority (WSA) and a Water Services Provider (WSP) serves its communities basic services i.e water, sanitation, electricity and access roads to better their lives. The community deserves the better living lifestyle and BCRM ensures that, its entire community receives them to the best of their ability.

BCRM has managed to upgrade the main sub-station for the better supply of electricity to its consumers i.e. Rural and Urban communities from the R5 Million funding from Department of Energy (DOE). This funding also included upgrading of streetlights to ensure safe supply of electricity and increase safety in the area.

The municipality has managed to build sportsfield in Pearston and Cookhouse, to ensure that youth is kept busy with spirit uplifting activities.

The Municipality has managed to upgrade the SE:WWTW sludge drying beds from the additional funding from DOGTA, to improve people's lives. The municipality also received an indication of an allocation of R17 Million from DWS for the upgrading of Cookhouse: WWTW.

BCRM challenges are the water outages during dry period and peak December period, where the storage dam doesn't cater enough water to the residents, especially when there is a huge pipe burst. The other challenge amongst others that the municipality was faced with, were the loss of electricity reclosers that supply the farming consumers that were hugely affected in this period of loss.

T 1.3.1

Financial Overview: Year 2016/2017			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	76637	75654	75654
Taxes, Levies and tariffs	120418	129275	129275
Other	9757	11036	11036
Sub Total	206812	215965	215965
Less: Expenditure	217576	235307	235307
Net Total*	-10764	-19342	-19342

1.3. FINANCIAL HEALTH OVERVIEW

The municipality aims to provide services to the community that is affordable, yet at the same time ensuring that we remain financially sustainable. The municipality has been limiting rates, tariff and fees increases to 6% year on year for the past five years up until the Revenue Enhancement Strategy was developed and approved. This strategy pointed out, amongst other things, that the municipality needed to ensure that their billing is complete and accurate; the tariffs must be adjusted to be more cost reflective; and new revenue streams / fees must be explored as a matter of urgency to improve our internal revenue base. As a result, the municipality started to increase the property rates by 10% in 2015/16 and maintained the same for 2016/17 together with 9% increases for Water, Sewerage and Refuse Removal. The higher tariff increases could be considered to have been effected a little late as the municipality's cash surpluses have reduced drastically and the current budgets not being fully cash-backed. Despite the challenges, the municipality maintained positive cash balances throughout the financial year and closed the year off with a higher closing bank balance than the bank balance at the beginning of the year. The municipality should continue to cut costs and raise new revenue to improve the poor cost coverage and liquidity ratios.

Detailed information regarding the municipality's financial performance is available in Chapter 5 of the report.

Financial Overview: Year 2016/2017	R' 000	R' 000	R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	76 637	75 654	72 922
Taxes, Levies and tariffs	120 184	129 228	134 063
Other	9 981	11 084	10 155
Sub Total	206 802	215 966	217 140
Less: Expenditure	217 576	235 307	239 129
Net Total*	(10 774)	(19 341)	(21 989)
** Note: surplus/(defecit)*			*T 1.4.2*

COMMENT ON CAPITAL EXPENDITURE:

The municipality performed better in the 2016/17 year as the Capital expenditure performance increased from 62% in the 2015/16 year to 81% in the current year. The municipality adjusted the budget downwards from R 33.1 million to R 20.6 million in February 2017.

The main reason for this budget decrease, is the Municipality cash flow concerns as well as the MIG Grant that was adjusted from capital expenditure to redeem the loan taken up for the Somerset East WWTW.

1.4. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	

18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
		T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

The year under has been a very hectic year in terms of ensuring that the municipality complies with good governance principles by ensuring compliance with laws and regulations and also ensuring adherence to the annual report processes in terms deadlines. This was made more difficult by the fact that the month of August 2016 was the month that Local Government Elections were held across all municipalities in the county and BCRM was no exception. The municipality had to ensure that the new Council is inaugurated and all Councillors are inducted on their respective Roles and Responsibilities.

The municipality was able to adopt the IDP Process Plan and this was tabled in the IDP Rep Forum and Inter-Governmental Forum (IGR) before adoption by Council on 30 August 2016. The municipality further embarked on public engagements with stakeholders and members of the public on the development of the new IDP 2017- 2022 . This culminated in the tabling of the draft IDP/BUDGET in March 2017 and later to the adoption of the final IDP/BUDGET in May 2017.

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The Blue Crane Route Municipality is a municipality with a plenary executive system combined with a ward participatory system and is governed by a plenary system of governance. This in effect means that the Decisions are taken at Council meetings through the process of resolving and or approving recommendations made at Standing Committees meetings level.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

Due to the nature of the municipality, Standing Committees and Council meetings are held bi-monthly. The following are the Standing Committees namely;

- Finance Standing Committee (Chaired by Cllr Manxoweni)
- Corporate Services Standing Committee (Chaired by Cllr Kwatsha)
- Technical Services Standing Committee (Chaired by Cllr Grootboom)

- Community Services Standing Committee. (Chaired by Cllr Hufkie)

Blue Crane Route Municipality has established a Municipal Public Account Committee (MPAC) which is an Oversight Committee .MPAC is comprised of both ward and PR councillors, with a PR Councillor from the opposition party as the Chairperson. MPAC provides Council with comments and recommendations on the Annual Report.

POLITICAL STRUCTURE **MAYOR /SPEAKER** Cllr Bonisile Manxoweni **CHIEF WHIP** Cllr Neliswa Yantolo Nkonyeni
T 2.1.1

2.1 POLITICAL GOVERNANCE

COUNCILLORS

Blue Crane Route Municipality is comprised of eleven (11) Councilors; six (6) councilors are ward councilors, and five (5) proportional representative councilors. The Mayor/Speaker was nominated from the five PR councilors. The ward councilors are responsible for the wards they are representing and PR councilors provide support to wards. Refer to **Appendix A** where a full list of Councilors can be found (including committee allocations and attendance at council meetings).

POLITICAL DECISION-TAKING

Political decisions and resolution are taken at the Council meeting. Decisions are taken by consensus or vote through majority of the councilors present at the meeting

2.2 ADMINISTRATIVE GOVERNANCE

The BCRM has the following Directorates in its organizational structure. These are i.e. Office of the Municipal Manager, Corporate Services, Community Services, Finance and Technical Services

TOP ADMINISTRATIVE STRUCTURE	Function
TIER 1 **MUNICIPAL MANAGER** (Thabiso Klaas)	Oversee the functioning and performance of the following Directorates, i.e • Corporate Services • Finance • Community Services • Technical and Infrastructure Services • Local Economic Development • Information Technology
DIRECTOR CORPORATE SERVICES: (Mr Fezekile Cothani) DIRECTOR: title	• Administration • Human Resources • Legal Services • Human Settlements • Town Planning
DIRECTOR : FINANCE **(** Mr Nigel Delo)	• Income and Expenditure • Financial Reporting • Assets and Supply Chain Management
DIRECTOR: COMMUNITY SERVICES (Mr Sizwe Mvunelwa)	• Parks and Recreation • Environmental Health And cleansing • Fire and Rescue Services • Traffic Services • Environmental Management
DIRECTOR: TECHNICAL SERVICES (Ms Zukiswa Ntile) etc	• Roads and Stormwater • Projects Management Unit • Electricity • Water Services

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The concept of Integrated Development Planning (IDP) is embedded on the principle of co-operation amongst various spheres of government for the purpose of providing better co-ordination and services to the community. It is in this context that co-operative governance and inter-governmental relations becomes of utmost importance. The Blue Crane Route Municipality has a relatively functional Inter-Governmental Relations Forum (IGR). The IGR meetings are held on a quarterly basis and these are chaired by the Mayor. It is in these meetings that Sector Departments are able to share their development plans with the Blue Crane Route Municipality. The challenge going forward is the consistent absence by some departments in these IGR meetings.

2.3 INTERGOVERNMENTAL RELATIONS

The BCRM continues to work well with following national departments and associations and enjoys good relations. These are i.e

- South African Local Government Association (SALGA)
- Dept of Co-operative and Traditional Affairs (COGTA)
- National Treasury
- Dept of Trade and Industry
- Dept of Rural Development and Land Reform
- Dept of Energy
- Dept of Water and Sanitation

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality continues to participate and have good relations on matters of mutual interest with various provincial government departments. These are i.e

- Office of the Premier (OTP)
- Premiers Co-ordinating Committee
- Dept of Social Development
- COGTA EC

- Provincial Treasury
- Department of Human Settlements
- SALGA EC

During the period under review, the BCRM hosted the Sarah Baartman Premier's Outreach Programme which was a resounding success.

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

The BCRM has good relations with the Cacadu Development Agency (CDA). These relations were strengthened by the decision of the BCRM Council to dis-establish its previous entity, the BCDA. Currently the CDA oversees the co-ordination and implementation of BCRM Local Economic Developments programmes. This is managed through a Service Level Agreement (SLA) signed tween the two parties.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality enjoys good relations with our District Municipality, the Sarah Baartman District Municipality. Councillor Manxoweni is the BCRM Representative in the District Municipality. We participate in the following district IGR structures, these are i.e.

- District Mayor's Forum
- District MM's Forum
- DWIF
- District PMS Forum

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public accountability and participation plays a very important and cardinal role in the promotion of democracy in local government. It is in this regard that during the year under review, the BCRM reviewed its Public Participation Strategy which was later workshopped with councillors and officials. The reviewed Public Participation Strategy was subsequently adopted by the BCRM Council. The BCRM uses the Ward Based Planning model to engage the community on matters related to the reviewal of the IDP. This places public accountability and participation at the basic level of community engagements.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

To enhance and improve effective communication, during the year under review the BCRM has employed a Media and Communication Officer. This has brought about improvement in the communication innovation and co-ordination of communication and events.

Various platforms are used to engage the community, encourage public participation and to ensure a participatory government. Public engagements are conducted throughout the year using different forums, meetings and events.

Forums:

Currently the municipality has two forums as means of public engagement which are IDP/Budget and PMS and Inter-Governmental Relations (IGR)

- IDP/Budget and PMS Forum
- The forum is functional, it seats once a quarter.
- It is chaired by the Mayor/Speaker, Cllr B Manxoweni and attended by Councilors, Community Development Workers and BCRM Management including key staffers ie Communications Officer, IGR Officer etc. And it is open to the members of the public.
- IGR
- Seats once a quarter in conjunction with the IDP/Budget and PMS Forum

Different forms of meeting seat with the municipality

- Committee Meetings

- The municipality has four committee meetings as per the directorates of the municipality (Not sure whether to mention them or not)
- They seat once a quarter and when there is a need.
- They are attended by all councilors, management and staff members of the said directorate

- Council Meetings

- Meetings seat once a quarter and when there is a need for a council resolution.
- They are attended chaired by the Mayor with all councilors, management and members

-Public/Community Meetings

- Public meetings are held in two ways, at times they are requested by the municipality to the community to address a certain issue that affects service delivery such water crisis or electricity cut. At other times they are requested by the public to the mayor/municipality to address any communal issue that they need addressed by the municipality/council.

The following structures have been established to enhance public participation, these are i.e

- Mayoral Outreach /Imbizo
- Ward Based Planning meetings
- IDP Representative Forum
- Inter- Governmental Relations (IGR) Forum
- Ward Committee
- Media
- BCRM websites

WARD COMMITTEES

Ward Committees are meant to deepen public participation in the governance of the municipality and to encourage participation by communities in the affairs of the municipality. The main task of the ward committee members is to be a conduit between the municipality and its communities and to ensure that the communities are informed of pending activities of council. On the other hand they bring genuine community interests to the attention of the municipality.

The municipality embarked on establishing ward communities and to date the municipality has successfully established ward committees in five of the six wards under its jurisdiction. The only ward that has not yet established ward committees is ward 5 as there are various contestations which has since been referred to the MEC for his intervention.

The municipality was assisted by the Independent Electoral Commission in finalizing the ward committee elections of ward 4 in Pearston. The Municipality is extremely grateful to the office of the Provincial Electoral Commission for availing officials to assist the municipality to undertake this huge responsibility.

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Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Mayoral visit IDP in ward 2 at Jakes Gerwel MPC	12-Sep-16	4-Jan-00	10-Jan-00	27-Mar-00	Yes	
Mayoral visit IDP in ward 1 in Cookjhouse Town Hall at 10:00	13-Sep-16	6-Jan-00	7-Jan-00	11-Apr-00	Yes	
Mayoral visit IDP in ward 6 in Cookhouse Madiba Hall at 14:00	13-Sep-16	4-Jan-00	7-Jan-00	18-Mar-00	Yes	
Mayoral visit in ward 3 in Somerset East Methodist Church. Mnandi at 5pm	14-Sep-16	3-Jan-00	9-Jan-00	7-Mar-00	Yes	
Mayoral visit in ward 4 Pearston Town Hall at 12am	15-Sep-17	5-Jan-00	10-Jan-00	21-Apr-00	Yes	
Mayoral visit in ward 5 Francisvale Hall at 5pm	15-Sep-16	3-Jan-00	8-Jan-00	28-Mar-00	Yes	
Public Meeting on Establishment of Ward Commitee in Ward 2 Jakes Gerwel MPC @ 4pm	25-Oct-16	4-Jan-00	7-Jan-00	22-Apr-00		
Public Meeting on Establishment of Ward Commitee in Ward 3, Methodist Church Mnandi at 6pm	25-Oct-16	3-Jan-00	10-Jan-00	7-Apr-00		
Public Meeting on Establishment of Ward Commitee in Ward 5, Glen Avon at 2pm	26-Oct-16	3-Jan-00	6-Jan-00	26-Mar-00		
Public Meeting on Establishment of Ward Commitee in Ward 4 Pearston at 4pm	26-Oct-16	2-Jan-00	7-Jan-00	2-May-00		
Public Meeting oon Establishment of Ward Commitee in Ward 1 at 2pm	27-Oct-16	2-Jan-00	5-Jan-00	25-Feb-00		
Public Meeting on Establishment of Ward Commitee in Ward 6 at 4pm	27-Oct-16	2-Jan-00	6-Jan-00	7-Mar-00		
Operation Masiphathisane Consultation Session in Ward 6	30-Jan-17	3-Jan-00	10-Jan-00	29-Mar-00		
Operation Masiphathisane Consultation Session in Ward 3	31-Jan-17	3-Jan-00	10-Jan-00	2-Apr-00		
Operation Masiphathisane Consultation Session in Ward 2	6-Feb-17	5-Jan-00	9-Jan-00	18-Mar-00		
Operation Masiphathisane Consultation Session in Ward 5	6-Feb-17	2-Jan-00	7-Jan-00	29-Mar-00		
Operation Masiphathisane Consultation Session in Ward 1	1-Feb-17	5-Jan-00	11-Jan-00	5-Apr-00		
IDP Meeting wards 1 and 6	19-Apr-17	3-Jan-00	9-Jan-00	29-Apr-00		
IDP Meeting ward 2	18-Apr-17	4-Jan-00	10-Jan-00	2-Apr-00		
						T 2.4.3

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
** Section 26 Municipal Systems Act 2000*	*T 2.5.1*

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

Blue Crane Route adopted an Enterprise Risk Management Framework that guided council and management in identifying, rating, responding, monitoring and evaluating as well communicating risks within the municipality. A strategic risk assessment workshop was held during the beginning of the financial year with the assistance of Internal Audit Unit. High risks, medium and low risks were identified within the risk appetite of the municipality and actions to mitigate risks were identified and captured on a risk register. The following risks were the high risks identified in the municipality:

a) Poor discipline of all employees affecting service delivery or productivity.
b) Non-compliance with applicable legislation, policies and procedures
c) Ageing infrastructure impacting on the quality and supply of water
d) Poor fleet management resulting in plant poor conditions that impact on waste management
e) Limited economic development within the municipal boundaries and failure to capitalise on revenue earning opportunities

The municipality is also planning to engage on operational risk assessment and response in the ensuing financial year ending 30 June 2017.

2.7 ANTI-CORRUPTION AND FRAUD

The municipality approved a Fraud and Anti-Corruption Policy and Prevention Plan that was used as part of the internal controls for the financial year. The Fraud Prevention Policy made reference to implementation of financial internal controls, implementation of Human Resources Policies and commitment to Code of Conduct by both councillors and employees. The municipality made use of Internal Audit to review compliance with policies and legislations and deviation were reported to the Audit Committee that comprises of all competent and independent individuals. Internal Audit and the Audit Committee recommended improvements to all the weaknesses that were identified during the year. The municipality was however a victim of a syndicate that has been attacking the district and was unfortunately defrauded of R800 000 during January 2016. This case has been reported to the police and referred to the Commercial Crimes Unit. The case was also reported to all the required authorities as well the Audit Committee and The Auditor General. The case is still under investigation for further actions to be taken by Council. Supply Chain was identified as a weak area in terms of compliance with laws and regulations as well as monitoring of service providers. Recommendations were made on how to improve and management is currently reviewing policies and developing procedure manuals to deal with the anomalies.

2.8 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Policy in place which was reviewed during the 2015/16 financial year and approved as a reviewed document on 30 May 2016. The objective of this policy is to provide a policy framework within which the Municipal Manager, Chief Financial Officer and other Senior Managers must institute and maintain a Supply Chain Management System which is transparent, efficient, equitable, and competitive. The policy also ensures the principles of best value for money for the municipality is outlined; applies the highest possible ethical standards; and promotes local economic development. By adopting this policy the council further pledged itself and the municipal administration to the full support of the Proudly South African campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act. No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- Where applicable, the council also pledges itself to observe the requirements of the Construction Industry Development Board Act No. 38 of 2000 and its regulations.

Reports on the implementation of the SCM policy are submitted quarterly to the Accounting Officer; the Mayor; and Council. The SCM Annual report on the implementation of the SCM policy for the 2016/17 financial year was submitted to the Accounting Officer; Mayor and the Council.

2.9 BY-LAWS

By-laws Introduced during Year 2016/2017					
Newly Developed	**Revised**	**Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)**	**Dates of Public Participation**	**By-Laws Gazetted* (Yes/No)**	**Date of Publication**
SPLUMA Bylaw		Yes	29-May-16	Yes	17-Oct-16

2.10 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

During the year under review, the Blue Crane Route Municipality did not conduct any formal survey to determine the satisfaction of its customers. Public Satisfaction survey will be undertaken in the current financial year .

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

BCRM as the WSA and WSP will ensure the service delivery is served to the people. The role of WSA and WSP is to ensure basic services are rendered to its communities such as water, sanitation, roads and stormwater. This chapter focuses on the 2016/17 FY achievements, challenges and various activities that BCRM has faced with regards to service delivery.

Service Delivery chapter mainly focus on the overall picture on the services that the municipality renders to its communities.

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

BCRM has a responsibility to ensure that communities are rendered with basic services, as part of their constitutional right. BCRM's mandate is to ensure that quality and credible services are provided to all its consumers and maintenance of the existing resources are carried through regularly.

Service delivery is at the heart of what BCRM aims to achieve. It is vitally important that all municipal structures and entities are optimally harnessed in such a way that will make the delivery of services to the residents a reality. This chapter deals with service delivery of basic services over the past financial year and gives a detailed breakdown of the various activities, achievements and challenges that the municipality has faced with regards to service delivery. BCRM classifies basic services as Water, electricity, sewer, refuse services, infrastructure and housing.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Somerset East

The bulk raw water supply for the town of Somerset East consist mainly of the extraction of Orange-Fish River Scheme water from the Somerset East Irrigation Sub-Area Canal (SEISA), supply from boreholes and supply from fountains and mountain runoff in the Bestershoek area. Raw water is extracted from the SEISA Canal where it is currently pumped to the Lake Bertie and Van der Walt dams where after it is purified at the Orange-Fish and Bestershoek Water Purification works and Package Plant respectively at a rate of 94m3/hr. The allocated extraction limit from the Canal is

100m3/hr. The raw water supply has recently been upgraded to 252 m2 / hr to the dams as mentioned above.

The Orange-Fish Purification Works was designed to treat a capacity of 54l/s, but can only achieve a maximum output of 45l/s. The total amount of raw water that was pumped from the SEISA Canal in the last year was measured to be 1803m3/day on average with 133 days pumping totalling 239 799 m3/a. Actual measured volume extracted from the Canal was 226 244m3.

During rain, runoff water accumulates in the Bestershoek catchment area. The runoff supplies the Bestershoek Dam, which overflows into the Van Der Walt Dam lower down in the same valley. Overflow water from the Van Der Walt Dam is channelled to Lake Bertie. All three holding dams are earth dams. Lake Bertie is situated approximately 2.7km south east from the Van Der Walt Dam.

Several fountains draining from the Bestershoek Valley and mountains feed into the Bestershoek Dam. These fountains have been developed in the past and feeds down to the Bestershoek Dam in pipelines. During dry seasons or drought the yields of the fountains seized.

Raw water is extracted from the outlet structure of the Dam to the Bestershoek Purification Works beyond, by means of gravity. The incoming raw water supply is measured at the works. Raw water is also pumped from the Van Der Walt Dam lower down the valley to the Purification Works at Bestershoek having a purification capacity of 27l/s.

Cookhouse: Extraction from Hougham-Abrahamson Canal

The extraction from this point is by means of a pump system as well as from the upgraded Orange Fish canal gravity system. The water is extracted from the Hough Abrahamson canal by means of flooded suction from a sluiced take- off into the pump house from where it is pumped by means of a 150mm diameter pipeline to the water treatment works with a capacity of 53l/s. The length of the pipeline is measured to be approximately 1800m. An agreement existed between the Hougham-Abrahamson Irrigation Board and the Cookhouse Transitional Council for the extraction of a maximum of 100m3/hr subject to a maximum of 365 000m3/annum (29.2ha) of raw water . Currently the measured extraction rate is calculated to be approximately 52m3/hr on average. The pump station is equipped with 2 pumps with 22kW electric motors with a maximum capacity of approximately 55m3/hr. No records of registration exist of the 40Ml retention dam at the new WTW.

Cookhouse: Extraction from Boschberg Canal

The Boschberg Canal was originally constructed - as a community scheme by the members of the Boschberg Sub-Area (formerly the Boschberg Irrigation Board) - to a capacity that was determined by the needs of the members. The Scheme was funded by the members. The Boschberg Canal feeds from the Orange-Fish River Canal and supplies water to its members downstream until it ends at the Van Aardt Dam adjacent to Cookhouse - privately owned by a local farmer.

With the serious shortage of portable water for the town of Cookhouse, the then Cookhouse Local Council approached the Boschberg Sub-Area at the time regarding an interim agreement that the Council would be able to use "excess overflow water" not utilized at the time by the members of the Board. A verbal agreement was made that in exchange for assistance in maintaining the Canal and the

sealing of the Van Aardt Dam, the Council could utilize the excess water. There is no evidence of any volumes mentioned.

The Council, as result of the "gentlemen's agreement", had a sluice distributor and a pipeline constructed from the end of the Boschberg Canal to the new water treatment works in Cookhouse. The pipeline is 315mm dia. uPVC. The Municipality made use of the excess water from the Boschberg Canal by means of this system, but could never rely on a guaranteed supply from the Canal. In 2005 the Blue Crane Municipality formally applied to the Department Of Water Affairs for an allocation of water via the Boschberg Canal. It was turned down by the Boschberg Sub-Area stating that no permanent excess capacity was available. They did however agree to temporarily assist should excess capacity be available.

NOTE: The above supply arrangements have been changed with the new direct gravity supply directly from the Orange Fish main canal. This project still needs to be finalised 2nd phase to be completed.

Pearston: Extraction from Boreholes

The water supply to the town of Pearston is completely dependent on the supply of water from boreholes. In total five boreholes contributes to the bulk supply of water to the town.
The town of Pearston recently had three boreholes which did not have any details with regards to their safe yield data and depth. This has been rectified through a project to augment the Pearston water supply, which also established safe yield to ensure that the boreholes do not run dry.

Major challenges in Water Services and Remedial Actions
The following challenges are faced by the BCRM:

Pearston

Pearston obtains its water from boreholes only. Close monitoring of the abstraction is required to ensure sustainable and sufficient water supply on a long term for Pearston. Safe yield test results established on an ACIP project for Augmentation of Community Water Supply are a positive step towards borehole management, however data logging is needed to monitor the level of water in the boreholes for more accurate and reliable monitoring of the boreholes.

Pearston Water Supply is also faced with challenges of not being able to supply during power outages as its abstraction is entirely dependent on electricity. Back up power has been proposed for some of the abstraction point to ensure constant, reliable water supply.

Somerset East

Water is obtained from surface water that is seasonal and rainfall dependant, as well as water from the Orange-Fish Irrigation Scheme. The town is dependent on the only reliable source, being the Orange-Fish Canal supply. A project has been completed and it's being implemented for a new bulk water pipeline to ensure that the town will be able to overcome any water shortage threats in the future.

Somerset East also faces challenges of dilapidated water reticulation infrastructure and the use of cement asbestos pipeline which is a health hazard. Furthermore BCRM is sourcing funding for the

upgrade of its infrastructure to remedy the backlogs and ensure uninterrupted provision of basic service delivery of good standard.

Somerset East is also backed up by fountains which deposits straight to Westview Reservoir and to the storage dam at Bestershoek. There are five existing boreholes which are not utilised efficiently but can at any given time act as an emergency backup for the town. Somerset East also extract water from the canal at an amount approximately three times the registered amount of 204 000 m3. Municipality needs to apply to DWS to increase the annual registered volume for abstraction from the canals.

Cookhouse

Due to the fact that Cookhouse was administered by the old Transnet, all assets and rights still resides with Transnet. The town is dependent on water from the Orange-Fish Irrigation Scheme and has no surface or borehole sources.

The present water supply to the town is not reliable, and a pipeline is recently completed from the Orange- Fish Scheme to secure sustainable water to the town. However this line is only approximately 35% of the bulk line to Cookhouse which needs an upgrade.

Cookhouse raw water supply is currently sourced from two canals to try and meet the demands of the Cookhouse area. The canals are Boschberg canal which is gravity feed to the plant and Hougham-Abrahamson canal which is equipped with two pumps, duty pumps and a standby pump. Cookhouse has a registered volume of extraction from the canal of 144 000 m3 but currently extract almost five times the registered volume.

Water losses

The total water losses in the municipality are estimated to be at 74 ML/annum. Domestic activities account for the largest amount of the water usage and losses thereof in Blue Crane Route Municipality, industries being the biggest user. According to available data, domestic water usage is increasing by approximately 700 m3 per day for the financial years leading to 2016/2017. Industries have however seen an increase in water usage of approximately 50 m3 per day.

The municipal water balance is not as accurate as it should. Open space such as parks and sports fields are not metered and therefor used in these premises are accounted for as water losses or unaccounted for. Water used through fire hydrants is also not accounted for and contributes to non-revenue water or water losses. However, on construction /upgrading of sport fields and parks projects or any other social amenities project, the water is metered and will be incorporated to the water balance sheet of the municipality. The municipality still needs to undertake water balance on a monthly basis to track abnormal water losses well in advance instead of the yearly water balance.

Projects

1. Development of Borehole Management Plan and adopted by council

Maintenance:

1. Annual Flushing of Reservoirs (except for Somerset East due to water shortages at the period of flushing)
2. Routine maintenance on any other challenges relating to water
3. Fixing water and waste water pumps
4. Fixing of rotating bridges in Somerset East and Cookhouse WTW

COMMENT ON WATER USE BY SECTOR:

Domestic activities account for the largest part of water usage in BCRM, business industry being the second largest consumer. Agricultural activities are supplied by private boreholes in Blue Crane Route Municipality, with only electricity being supplied by the Municipality to the farmers.

COMMENT ON WATER SERVICES PERFORMANCE OVERAL

BCRM has experienced a number of challenges with regards to water services of these include the following:

• Pearston obtains its water from boreholes only. The augmented water supply in Pearston ensures that the town has constant and sustainable water supply. Two boreholes were not connected from the project implemented to augment Pearston water supply, due to budget constraints and therefor a follow up project has been initiated to complete phase two of water supply in Pearston. Pearston does not have surface water and entirely relies on borehole water this means that the water supply in Pearston is dependent on mechanical means to abstract the water and to a certain extent for distribution of the water.
• Somerset East Water is obtained from surface water that is seasonal and rainfall dependent, as well as water from the Orange/Fish Irrigation Scheme. The town is only dependent on the reliable source, which is the Orange/Fish Canal supply. A project has been completed and it's implemented with a new bulk water pipeline to ensure that the town will be able to overcome any water shortage threats in the future.
• Due to the fact that Cookhouse was administered by the old Transnet, all assets and rights still reside with Transnet. The town is dependent on water from the Orange/Fish Irrigation Scheme and has no surface or borehole sources. The present water supply to the town is not reliable, and a pipeline is required from the Orange-Fish Scheme to secure sustainable water to the town, (2nd Phase).

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Sewer outfall is managed by various methods in the Blue Crane Route. Apart from 350 Bucket system in the informal settlements and 5 formal houses in Somerset East, the entire community of the BCRM urban area is serviced with a waterborne sewer system. A substantial capital outlay has been budgeted for and is being spent; further provision must be made for upgrading the facility to a

waterborne reticulation system. The BCRM has eradicated the Bucket System in all formal households in line with the national priority requiring all bucket systems to be completely eradicated, however 5 buckets still exist in formal settlements and informal settlement still remain with the backlog mainly due unavailability of suitable land. The BCRM"s objective is to supply each consumer with full water borne sanitation system, if technically and financially feasible.

Sanitation Services delivery strategy and main role-players

As a WSP and a WSA, the Municipality takes full responsibility for sewage disposal and treatment in all towns.

Level and standards in Sanitation Services

BCRM has not eradicated all buckets and in some formal settlements and the entire informal settlements are still using buckets. BCRM is in the process of upgrading the bulk WWTW facilities in all towns and the status is as follows:

Pearston

The Municipality is in a process of seeking funding for an assessment of the Pearston WWTW and upgrade thereof based on the findings and growth patterns of the area. The BCRM delegation requested funding for this project from DWS delegation, and has been indicated that it will be included in the 2018/19 FY DWS WSIG budget, as the allocation could not be funded through ACIP or any other grants available in the DWS coffers.

Currently the pond system being utilised is not able to effectively cope with influent of Pearston The entire town/suburb area in Pearston utilises septic tanks and needs to be connected to a waterborne sewerage system. In order for the upgrading to be possible, the bulk capacity (in terms of treatment) should be adequate and therefore the wastewater treatment plant in Pearston will need to be upgraded prior.

Somerset East

Reticulation network in town is old and requires intensive maintenance actions. The municipality has recently upgraded the pond system in Somerset East to an activated sludge system to cope with the hydraulic load of 2.5Ml per day and comply with Department of Water and Sanitation effluent requirements.

BCRM received R7 Million from COGTA MIG unit and constructed 4 drying which have been completed and functional. The WWTW need 16 drying beds to be fully functional and the remaining 14 will be constructed when funds are available.

Cookhouse

The bulk WWTW needs to be upgraded and the project is under-design. MIG funds have been allocated to the project, but the progress has been retarded due to an EIA study that could not be

completed in the past three years. However the Record of Approval has been granted and the municipality has also applied to DWS: RBIG for complete funding to be able to complete the project and unlock the housing backlog in Cookhouse from the perspective of bulk capacity of sanitation.

BCRM received R 17 Million from DWS to upgrade the Cookhouse Waste Water Treatment Plant. A contractor has been appointed to upgrade the ponds. The sewerage lifting station will also be upgraded under the same funding.

The progress in the project on the MIG funding is the construction of the fencing of the existing WWTW in Cookhouse and has been completed with the scope of works of the project 1st phase. The remainder of the actual upgrading of the WWTW will be done with the next funding available in 2017/18 FY from WSIG.

Maintenance:

1. Daily maintenance of sewage lifting stations
2. Maintenance of WWTW

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The Blue Crane Route Municipality waste water treatment facilities are generally overstressed and operating over the design capacity. The Municipality has upgraded the Somerset East waste water treatment works through MIG grant funding and additional funding of R7 Million from COGTA MIG section and has received gazetted amount form WSIG for the upgrading of the Cookhouse WWTW to unlock developmental opportunities. Pearston WWTW is included in the funding request for the upgrading of the WWTW to unlock developmental opportunities in the area. BCRM also plans to eradicate all bucket system and sceptic tank within the municipality within the next 5 years

Projects:

1. Upgrading of sewage ponds in Cookhouse
2. Upgrading of sewage lifting station in Cookhouse

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The BCRM is a licensed distributor of Electricity within the area and is registered with NERSA licence number EC102. Electricity is distributed by the Municipality to its consumers of about 8691. The Blue Crane Route Municipality owns the entire network and there are no areas shared with ESKOM.

The network is very old and dates back to the sixties and was never upgraded or refurbished. It is very difficult to deliver quality supply to the communities of the three towns namely, Somerset East, Cookhouse and Pearston. There are outages almost every day because of the aged network.
Maintenance of street lights

Street lights are maintained as part of routine maintenance. Street lights were installed in the dark areas in all three towns to curb theft as well safety of the communities. All street lights and high masts lights are metered to reduce losses on Municipal own consumption.

Pump Stations

Metering was also installed in all pump stations in the three towns to reduce electricity losses which are currently at 24%.

Electricity Projects

Blue Crane Route Municipality received funding from DOE which was used to refurbish the main substation, transformer yard and upgrading of protection system.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Blue Crane Route Municipality is not doing well in terms of performance due to the old network which need urgent refurbishment. BCRM notified demand with ESKOM is at 18MVA and has been there for past six years and the maximum demand at about 16MVA, this shows less growth because of the network which really need urgent upgrading.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Blue Crane Route Municipality has three towns that it provides waste management services to. All three towns have dedicated personnel working on waste management including refuse collection, street cleaning and waste disposal. At a small scale recycling is done in Somerset East with the help with a recycling company (IWARS) that has sources funding through DTI to implement a recycling project in Blue Crane Route Municipal area.

There is a clear schedule for household and business refuse collection in all three towns. Members of the community and businesses are aware of the existing schedule. The collection of garden refuse takes place at least once per month under normal circumstances when there adequate resources to do so are available. Despite the shortage of resources, the urban areas of the municipality are receiving household and business refuse removal services at least once weekly and garden refuse irregurlarly.

Achievements

Environmental awareness campaigns are conducted quarterly in partnership with CWP. These campaigns involve educating the community on waste related issues and to encourage them to take

part in keeping their environment clean. With these campaigns in place, we have seen great improvement in the clearing of illegal dumps and that all illegal dumps that have been cleaned and beautified already have been maintained in that state.

Waste Management Challenges

- The recycling project referred to above is growing very slow due to funding that is coming slow from DTI
- As much as there is adequate provision of staff in the organogram, most of the positions are vacant. Shortage of staff due to budgetary constraints is affecting service delivery negatively.
- The municipality has 6 trucks for the collection of refuse but they are in such a poor state that they spent time at the workshop than on the road collecting refuse.
- The shortage of staff and machinery also impacts on the moral of the overstressed personnel and that is reflected by the deteriorating levels of discipline amongst the workers.
- The collection of garden refuse is slow due to limited resources (ie personnel and refuse collection trucks)

Response to poverty

Through the programme of EPWP, the municipality was able to create 77 work opportunities for the youth of the area for a period of 7 months at a rate of R85.00 per day. This enabled the EPWP participants to put bread on the table for their families.

T 3.4.1

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

There are very limited resources to render this service and due to financial constraints of the municipality it does not look like the situation will improve anytime soon. The financial status of the municipality is affecting the performance of this service negatively. The service that suffers most is the collection of garden refuse and management and maintenance of landfill sites in all three town of BCRM.

3.5 HOUSING

INTRODUCTION TO HOUSING

The municipality is facilitating the delivery of housing on behalf of the Provincial Department of Human Settlements. Two projects are currently under construction, namely Bongweni Housing Rectification which is intended to benefit 150 beneficiaries. The other project is the Mnandi Housing Rectification Project which is intended to benefit 93 beneficiaries. The Department is planning to implement Plastering and Ceiling project for Chris Hani and Old Location.

The Department is planning to implement new housing project however this is delayed by the lack of availability of suitable land for housing development. Engagements are ongoing with various stakeholders and potential landowners in order to obtain land for housing development.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

BCRM provides free basic services to those classified as indigent in the municipality. Families that are classified as indigent are determined by the municipality through an indigent policy. During the 2015/16 financial year, the threshold to qualify for Indigent Assistance was increase by a further R500 per household over and above the annual pension rate increase. The municipality maintains a register which allows it to document all those households needing access to free basic services. The indigent policy seeks to realise the following objectives:

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council. In this regard the Municipality is able to mitigate the impact of poverty and unemployment;
- The financial sustainability of free basic services through the determination of an appropriate tariff system that contributes to such sustainability through cross subsidization;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
- The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; and
- Co-operative governance with other spheres of government.

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2014/2015	9 761	8 558	3 500	41%	3 500	41%	3 500	41%	3 500	41%
2015/2016	9 761	8 558	2 950	34%	2 950	34%	2 950	34%	2 950	34%
2016/2017	9 761	8 558	4 153	49%	4 153	49%	4 153	49%	4 153	49%
										T 3.6.3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

As reflected in the introductory remarks, the municipality provides indigent assistance to all households with an income less than two state pensions plus R500. The access to this assistance is through a formal application process whereby customers can apply personally at the Municipal Offices or participate in the annual Indigent Register Update programme where the municipality conducts visits to all wards to capture these applications.

During the year under review, the municipality conducted various Masakhane Outreaches from July 2016 to June 2017. Field work was done by visiting Community Halls throughout this period whereby Masakhane awareness was created. These outreaches saw the Indigent register maintain its numbers from 4383 in June 2016 to 4403 in June 2017.

The Indigent Steering Committee (ISC) continued its seating during this financial year meetings being convened for the year.

3.7 ROADS

INTRODUCTION TO ROADS AND STORMWATER DRAINAGE

Roads form one of most basic infrastructural components necessary for development. A well-functioning and well maintained road network creates a positive economic environment influencing the economic activity of the area. In the context of the BCRM, the extent and quality of the existing road network has a significant impact on both the local economy and the community as a whole, since it fundamentally impact on the mobility of both people and produce into the area.

In an economic context, this specifically affects the agricultural related industries and tourism, in particular. If the road network is not sufficiently maintained it could have a negative influence on the potential growth rate of the leading economic sectors. The existing bitumen surfaced roads are deteriorating, as the Municipality does not have sufficient funding for road maintenance and rehabilitation of these roads.

The general status of roads in the urban areas of Blue Crane Route ranges from tar surfaced in central business areas and higher income residential areas to gravel surfaced and graded roads in the middle and low income areas respectively. The maintenance of roads throughout the entire Blue Crane Route Municipal Area (urban and rural) is inadequate due to the lack of funding. Urgent attention and funding is needed to address this problem.

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The Municipal road infrastructure mainly composes of collectors and access roads (i.e. Class 4 & 5 roads), approximately 60% of the road infrastructure is gravel roads/ non-surfaced. The municipality does not have sufficient budget for maintaining the existing road infrastructure and the current grant allocations are not sufficient to eradicate the road infrastructure backlog. The municipality is considering other alternatives to seek the road infrastructure maintenance funds or upgrade funds

INTRODUCTION TO STORMWATER DRAINAGE

The town of Somerset East is situated at the foot of the Boschberg mountains thus making it a town that has many channels and storm water drains. Rain water runs from the mountains to one of Blue Crane Route Municipality catchment dams the van der Walt dam which is also feeding into the distribution system of the Blue crane Route Municipality.

These channels need constant maintenance because some of the streets are gravel and during heavy rains the sand clogs the drainage system.

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Blue Crane Route Municipality drainage system is well maintained with the limited resources of the Municipality.

Maintenance

Daily scheduled maintenance of the drainage system
Daily scheduled maintenance of the storm water channels

COMPONENT B: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community Services Directorate exists to provide sustainable services to the broader community of Blue Crane Route. The Directorate comprises of the following departments: Environmental Services, Library Services, Traffic Services and Fire Services.

Essentially, the Directorate strives to contribute towards a safe, clean and healthy environment. It further strives to promote a culture of reading and learning.

3.8 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Blue Crane Route Municipality provides public library services through six circulating libraries across the municipal area. Anyone may use these libraries. However, only members may borrow library material and use the internet.

The Library Services aims at providing information resources in various formats to the entire BCRM population and to foster a life- long reading culture. Such resources include information to develop skills and interest, educational material to both formal and informal education system, recreational material for leisure and cultural material adding to an understanding of other cultures.

BCRM libraries are managed and controlled under various legislation guides of which the following two are the most important:

Constitution of the Republic of South Africa: In terms of Schedule 5A, public libraries are the competency of Provincial Government. For this reason they fund the running of municipal libraries.

Library and Information Services Act: The Act sets uniform minimum norms and standards, principles for library information services, institutional arrangements, inter-governmental arrangements and assignment function.

Some of the BCRM programmes include:

1. Providing updated information to scholars and community: All libraries have computers for public use and five libraries has internet as well. All libraries have Wi-Fi. Measures are taken

to improve performance by means of librarians assisting public and scholars in using internet and other computer programmes. Libraries have colour printers and charge competitive prices for printing.

2. Outreach programmes for children and adults: All libraries provide outreach programmes to pre-scholars weekly. Each library provide outreach programme to Old Age Homes every two weeks. Librarians read out to the illiterate at the Old Age Homes and pre-school pupils.

Educational programmes are held to pre-school pupils every week by all libraries. The BCRM works closely with 12 crèches.

Holiday programmes are also provided to keep children occupied and out of the streets. An interesting Treasure Hunt was held where children had to look for clues though different buildings in town.

SERVICE STATISTIC FOR LIBRARIES.

6 libraries are conveniently placed in communities for the use of all members
6 qualified librarians and 3 qualified teachers are in charge of the libraries
2 Assistant librarians assist librarians

Paid up members consists of 1200 adults and 2500 children. These are 237 adults and 564 children more for this year.
Every library has at least 15000 books
Circulation for 2016/17: Adults 41498
Children 32290
Total: 73788
New books received: 73788

NEW DEVELOPMENTS:

Cookhouse: The Department of Sports, Recreation, Arts and Culture (DSRAC) has committed to build a new library in the next financial year.
Pearston: There is also a commitment to upgrade the Pearston library.

3.9 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

Blue Crane Route Municipality has nine (9) cemeteries in total. Three of these are in Pearston, two in Cookhouse and four are in Somerset East. All of three cemeteries in Pearston are still operational, only two in Somerset East are operational and one in Cookhouse. All these cemeteries are maintained regularly with the help of CWP participants from COGTA. There was a provision in the capital budget of the municipality and in the IDP for the realignment of the road and fencing of the new cemetery in Aeroville but that project could not kick off due to lack of funding.

The Municipality's main objective for 2016/17 IDP was:

To ensure well maintained social amenities in BCRM by 2017

- By erecting a fence and a gate around the newly established cemetery in Aeroville
- By procuring edge cutters for grass cutting for maintenance of cemeteries and open other spaces
- By procuring a tractor and blower mower for maintenance of cemeteries and other open spaces

None of the above strategic objectives could be achieved in this financial year due to lack of funding.

CHALLENGES

There is generally a shortage of burial land in all three towns. The operational cemeteries have very limited burial space. There is an authorised land for the construction of a new cemetery in Aeroville but the construction could not happen due to financial constraints of the municipality. The ROD was extended for another year. There is a plan to start with the re-alignment of the road that passes through this particular piece of land in the first quarter of the 2017/18 financial year.

The shortage of resources (ie caretakers and grass cutting machines) is also contributing towards poor maintenance and management of cemeteries. Due to limited burial space in our cemeteries communities have started encroaching on private land as they look for burial space closer to where the funeral is taking place. One of the pressing needs for the cemetery management is acquisition of an electronic burial system that will assist in the marking and location graves.

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

For the period under review there were about 243 burials in the entire BCRM. The breakdown is as follows:

- **Pearston- 26**
- **Somerset East – 164**
- **Cookhouse- 53.**

It must be noted that these figures reflect only burials for which burial sites where purchased from the municipality

3.10 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

BCRM is performing the Municipal Health Services on agency basis on behalf of Sarah Baartman District. The service is funded by the district on a quarterly basis. BCRM had two Environmental Health Practitioners and one resigned by the end of April 2017 leaving us with one EHP and a vacant EHP position. In terms of the National Norms and Standards for Environmental Health, for the population of BCRM the municipality is supposed to have three full time EHP's but due to lack of funding the third position was never filled but does exist in the organogram.

The three top strategic objectives in the IDP for this service was:-

- To ensure a well maintained ,clean and healthy environment by 2017 by conducting awareness campaigns on waste management
- To ensure a healthy environment to improve human health by 2017 by implementing intervention measures to rectify the conditions arising from unhealthy human environment

All the above strategic objectives were achieved as per the targets set and more. This achievement has improved the state of environmental cleanliness and awareness amongst the communities

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONs, Etc OVERALL:

This service is very operational by nature and very limited capital projects. The capital projects are limited because the funding comes from the district as this is the function of the district. Some of the capital projects are directly funded by the district. For this financial year the district donated a LDV (bakkie) for the use of EHP's in their work, a camera and the municipality procured a projector for awareness campaigns from the approved Environmental Health budget of 2016/17.

COMPONENT C: ENVIRONMENTAL HEALTH

1. POLLUTION CONTROL:.

Urban areas in the BCRM are primary centres of activity that generate air quality impacts. This includes particulate and other emissions. They are as a result of either concentrated traffic volumes, industrial activities including household fires.

Currently, the municipality does not have an Air Quality Management Plan. Ordinarily such plans are prepared by the District municipality and include municipalities under them. The District municipality is busy preparing such plans.

2. BIODIVERSITY

The Blue Crane Route Municipality is a home to a wide variety of vegetation including Albany Thicket, Azonal vegetation, Fynbos and Grassland. The condition of these habitats varies considerably throughout the municipal area.

There are a number of formally protected biodiversity conservation areas within and surrounding BCRM. Within the municipal area, there is Bosberg Nature reserve near Somerset East and a portion of the Addo Elephant National Park in the South. In total 4% of the municipal area falls within formally protected areas.

COMPONENT D: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

TRAFFIC SERVICES:

The key objective of the Traffic Services is ensuring safe pubic roads for all citizens of and visitors to BCRM. The department is divided into the following units:

1. Drivers Licenses and Testing Centre which is responsible for testing and issuing drivers licenses, testing and issuing learners licences as well as issuing Professional Driving Permits.
2. Traffic Law Enforcement which is responsible for enforcing traffic regulations in terms of the National Road Traffic Act, conducting traffic patrols and responding to accidents.
3. Vehicle Testing Station- responsible for testing vehicles and issuing roadworthy certificates. The unit also assist in Law Enforcement during major operations.
4. Technical Services which is responsible for road marking and maintenance of road signs.
5. Registering Authority: Responsible for registration and licensing of motor vehicles.
6. Commonage management: This involves reducing the number of stray animals through the monitoring of roads. Also involves repairing stolen fence at the municipal commonage.

The department also runs outreach programmes which include road traffic safety awareness campaigns as well overseeing the conducting of scholar patrols.

Currently, the department has 3 Traffic Officers and a Chief Traffic Officer.

FIRE SERVICES:

The year generally had a significant decrease mainly informal dwelling and an increase formal dwelling fires and vegetation fires. The department also continued with Community Awareness and education on-going programmes at hospitals, old age homes, schools and clinics as well as having meetings with the service provider Aurecon regarding draft ward based Risk Assessments that will be conducted during the month of October 2017, which will inform the municipality's disaster management plan. There was also a focus on tariff implementation charges are being levied for services rendered

CRITICAL CHALLENGES

- On-going use of Fire Tender as water tanker for drought relief is posing very high risk with regards to serious delays in response times was resolved
- Staff shortage and no RIFV for aircraft fire fighting
- Also the absence of a control room and control room staff contributes to a further delay in response time of which can result in serious repercussions for council. Also nonexistence of telephone lines and internet access at fire station.
- Use of Medium pumper as water tanker for drought relief resulted in the Fire engines non availability for house fire in Pearston 11 February 2016, 11h30.
- The on- going absence of telephone line and internet connection at Fire station is a major contributor for delays in attendance with regards to emergency incidents and administration.
- The purchase of 2 x 4000 litre JoJo tanks mounted on 2 x 5 ton axle trailers with pumps will prevent a re-occurrence with regards to the Pearston house fire.
- Currently the airport is non- compliant with ICAO standards and also the increase of stray animals on the runway which could lead to serious accidents.
- During the month of May 2016 approximately 6 light aircrafts including an 18 seater, other than the 3 aircrafts of the flying school Progress landed at Aeroville airfield. In the absence of a Rapid intervention foam vehicle and adequate foam supplies any eventuality of a plane crash can result in some major disaster. Fire service is not adequately equipped.
- Nissan hard body Pearston skid unit registration number CYW126 EC was written off by the insurance due to the accident of 21 January 2016 and still has not been replaced

INCIDENTS

Type	Number	Fatalities	Description
Informal dwellings	7	0	7x informal dwellings
Formal dwellings	12	0	12x formal dwellings
Commercial buildings	0		0x commercial dwellings
MVA	8	0	
HAZ	5	0	5x dump fires
Vegetation	32	0	32x vegetation
Special service	20	0	Movie shooting standby

COMMUNITY AWARENESS TRAINING

A number of institutions were visited and specific and appropriate fire and disaster management educational / awareness programmes was conducted which is part of Departments precautionary and preventative risk reduction mitigation strategy.

TYPE AND NUMBER OF INSTITUITIONS	NUMBER OF PARTICIPANTS	OTHER	DESCRIPTION
8 x Schools	720		693 students and 27 teachers
2x Clinics	56		45 community members/patients and 11 nurses
1x Factory	12		12 staff members
1x Old Age Home	60		42 pensioners, 12 support staff
3x Garages	10		10 staff members

COMPONENT E: SPORT AND RECREATION

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The sport fields in Cookhouse and Pearston were refurbished as per the scope of works. Due to budget constraints and reduction in the scope of works, then the municipality's building and maintenance team finished up the work that was not included in the reduced scope of work even though it was in the original scope. The ablution facility as well as the change room was done in Cookhouse and the protection wall for the pump installed was also done. The similar work will be done in Pearston. But this programme was delayed because the team was overloaded and will be doing the work in 2017/18 FY as per the arrangement at a later stage. The park in Aeroville was started with the paving as per the scope of work but could not be completed due to the limited budget and team to do the work, but this will be completed in 2017/18 FY.

Project:

1. Upgrading of Pearston sport field.
2. Upgrading of Cookhouse sport field
3. Upgrading of Aeroville Park

SPORTS HALLS

BCRM has a multi-purpose Centre located at Aeroville. Unfortunately the centre is not well equipped. The Department of Sport, Recreation, Arts and Culture will be approached for assistance.

CAMP SITES:

The municipality has 10 camp sites located at Besterhoek. Because of economic downturn, occupancy rate has been very low for the period under review.

3.11 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources section provides the following functions:

- **Human Resources Provisioning comprise of;**
  - Human Resources Planning
  - Recruitment and Selection,
  - Staff Placement,
  - Induction and career pathing.
  - Overall HR staff Management/Supervision
  - Outlining the relevant policy/legislation to council and municipality
  - Interpret and implements labour legislation for the institution
  - Advises Directorates on procedures to follow in terms of correctional action.
  - Co-ordinates the job evaluation process of the institution.
  - JD Development, Maintains and updates Organizational Development
- **Human resources development comprises of:**
  - Implement Organizational, Provincial and National strategies
  - Co-ordinate Councilors, Management and Staff development programs
  - Skills development
  - Employment equity
  - Provide a career management service
  - Administer state sponsored studies/bursaries
  - Implement Learnership and Internship programs

- **Labour Relations**
  Responsible for the following: -
  - Develop organizational labour relations strategy and policy
  - Provide a labour relations support to line function, including a support of their responsibility to the municipality
  - Provide advice and guidance to staff in respect of labour issue
  - Manage disputes and grievance resolution mechanisms
  - Administer all discipline processes (including investigations)
  - Facilitate departmental collective bargaining
  - Provide a translation service of all human resource activities
- **Functionality of the Local Labour Forum**

  Good labour relations in municipalities is a legislative imperative that must be nurtured and sustained at all costs as failure to do so may have a direct impact on the levels and quality of service delivery. The election of new councilors had an impact on the functionality of the local labour forum as training had to be provided prior to ensuring that they are conversant with its operations. Negotiations are at an advanced stage in requesting SALGA, CoGTA and SALGBC to facilitate a training workshop in this regard.

⇨ **Review of the organogram and Filling of critical and vacant posts**

All Section 56 and 57 position together with critical vacancies have been filled. Additional to senior management positions the following positions has since been filled. The filling of the outstanding vacancies will be done as soon the prioritization process, costing and budgeting exercise has been completed.

The municipality reviewed and adopted its organogram on the 30th June 2016. Subsequent to that a total of 11 vacancies were identified as reflected below:

- Local Economic Development Manager
- Human Resource Manager
- Administration Manager
- Human Resource Officer
- Human Resource Clerk
- Administrative Clerk
- Occupational Health and Safety Officer

- Archivist/Filing Clerk
- Supervisor of Halls
- Land Use & Spatial Planning Officer
- Environmental Health Practitioner

The current review of the organogram will be conducted at the beginning of the next financial year. The municipality will also conduct the Organisational Design Process in the next financial year as well.

Formulation of job descriptions

The municipality has developed job descriptions for all employment categories of the institution and was adopted by council on the 30th June 2016.

⇨ **Implementation of job evaluation**

The municipality is participating in the SALGA initiated process of implementing job evaluation system. The Sarah Baartman District Municipality has established a Job Evaluation Unit which is responsible for the implementation of the system for all municipalities falling under the district. BCRM is participating in all the activities and has complied with all the requirements including training of responsible officials and observers. The job evaluation is scheduled for commencement at the beginning of the next financial year.

⇨ **Human Resource Plan (HR Plan)**

CoGTA-EC assisted the municipality in the formulation of the human resource plan and its implementation plan was adopted by council and due for reviewal in the next financial year.

The document outlines how the municipality will achieve the objective of the IDP through optimal utilization of human resource. Integrating the key following enabling instruments;

- Job description formulation and reviewal
- Job Evaluation process
- Institutional policy development and reviewal
- Reviewal of the Organisational Structure
- Staff training through Workplace Skills Plan
- Institutionalisation of Occupational Health and Safety
- Employee Wellness Program, and
- Employee Equity Plan

LIST OF EMPLOYEES ON A FIXED TERM CONTRACT

POSITION	INCUMBENT	TIMEFRAME
Municipal Manager	Mr. Thabiso Klaas	Contract ends August 2017
Director Community Services	Mr. Sizwe Mvunelwa	Contract ends August 2017
Director Corporate Services	Mr. Fezekile Cotani	Contract ends August 2017
Director Financial Services (CFO)	Mr. Nigel Delo	Contract ends August 2023
Director Technical Services	Ms. Zukiswa Ntile	Contract ends August 2017

⇨ **Employment of casual workers**

The employment of casual has been a major problem area as community members are always suspicious of any process that does not favor them. The municipality has commissioned the development of a policy to regulate the employment of casual which will lead to the development of jobseekers database. The database will ensure that opportunities are given to all deserving residents on a fair and equitable manner. The policy will take effect from the beginning of the next financial year.

⇨ **Skills Development Programs**

The Skill Development Act requires that all employers, including municipalities, must develop a Workplace Skills Plan (WSP). The WSP is developed indicating the skills gaps, analysis and attributes identified in a particular year. This is also in line with Objective 2 of the National Skills Development Strategy, which advocates for "Promoting and accelerating quality training for all in the workplace". The WSP outlines the training capacity building programs to address the gaps and build capacity. The program consists of a skill program which is occupational based and the learnerships which are made up of structured learning component. Every year the Blue Crane Route Municipality develops a WSP indicating the skills gaps, training and capacity building programs. This is to ensure that staff members involved in both skills and learnership programs to build their capacity and enable them to respond to the needs of the community with confidence. In order to achieve this objective the municipality conducts skills audit where all employees complete skills audit questionnaires which gets translated into a skills audit profile of the municipality.

⇨ **Employment Equity**

The Employment Equity Act prescribes that every designated employer must formulate an Employment Equity Plan. This calls for the municipality to develop a policy defining its employment equity practices. The municipality has an existing employment equity policy which is due for reviewal soon as it has been adopted in 2012. The purpose of the employment equity is to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination. Also to implement affirmative action measures to redress the disadvantages employment experienced by designated groups in order to ensure their equitable representation in all occupational categories in the workplace. The municipality has successfully developed an employment equity plan which is currently in use to determine annual targets.

⇨ **Dealing with critical and scarce skills**

The municipality is developing a policy to deal with scarce skills and to cover the following fundamental principles:

- To determine the strategic and operational needs of the organization
- Strategies to attract and retain critical expertise in certain fields
- Adhering to the requirements of Employment Equity
- To apply skills transfer

⇨ **Performance management**

The municipality has adopted a performance management system which ensures that quarterly targets are met by the institutions; however it is only senior management and those officials directly reporting to senior managers who are performance managed. The municipality will cascade the system to the rest of the institution at the beginning of the next financial year. Consultations are undertaken with employee representative on the modalities of implementing the system.

⇨ **Administrative matters**

The Human Resources section is currently conducting an audit of personnel files ensuring that all necessary documents are in place and in order. Another audit is the leave management system in order to introduce new measures that will ensure a credible leave management system. The municipality is developing a new induction program in order to improve on the current system which is in operation and does not give much better value.

⇨ **Occupational Health and Safety**

The municipality has recently appointed an Occupational Health and Safety Officer as per requirements of the respective legislation. The office is in the process of ensuring the institutionalization of the unit

⇨ **Employee Wellness Programs**

The Blue Crane Route Municipality has a commitment to ensure a health, safety and welfare of all employees at work. The municipality adopted the Employee Wellness Program in 2012 with the intention of providing internal and external professional, confidential assistance to employees. The municipality has developed an internal newsletter which will help to provide educational support on various matters affecting employees both in the workplace and at home. A range of sustainable employee wellness programs have been developed for implementation next financial year.

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Section has successfully delivered on significantly improving the audit outcomes and further improved the municipality's risk profile despite have instability caused by amongst others the high turnover rate in the department.

3.12 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information and communication technology is one of the key assets of the municipality and as a major investment, it is expected to deliver value. ICT's major role is to implement IT best practices to promote Good governance within the municipality. ICT governance is the effective and efficient management of ICT resources and processes to facilitate the achievement of municipal goals and objectives. ICT doesn't exist for its sake own within an organisation, it is there to make sure that organisations achieve sustainable success through the use of their ICT.

Therefore, the primary purpose of Information and communication Technology is to provide Information and Communication Technology services to the Municipality in order the community can be able to receive the best possible services.

The municipality has an IT steering committee that oversees the it functionality and investment priorities. This committee assists the council in overseeing the IT related activities.

The major focus of IT in 2016/17 financial year was on ensuring reliable, efficient and effective ICT governance by;

Implementing Corporate Governance and communication Technology policy
Conducting ICT policy awareness workshops
Ensuring functionality of the ICT Steering committee

1.**Implementation of Corporate Governance of Information and communication technology policy.**

The council has approved and adopted about 13 ICT policies and procedure as part of the 1st phase of implementing the Corporate governance of ICT policy. The ICT charter that should guide the creation and maintenance of effective enabling governance structures was also approved together with the following policies

1) Municipal Corporate Governance of Information and communication Technology
2) IT Disaster Recovery Plan and backup procedure
3) Information Technology Disaster Recovery Plan policy
4) Information Technology Program Change Management policy
5) Information Technology Network Security Policy
6) Information Technology data security policy

7) Internet, and Email policy
8) BCRM social Media Policy
9) IT service level Management process and procedure
10) User access Management Policy and Procedure
11) Application Patch management policy and procedure
12) Information Technology Server Room Policy

2. Ensuring ICT governance by conducting policy awareness workshop.

Through the financial year we've conducted an awareness of the ICT security policy in an effort to empower our users in order to adhere to security procedures. This exercise has help our users a lot in terms of safety and the cyber-attack challenges. It is our priority to make sure the municipalities resources are used in a responsible manner.

3. Ensuring functionality of the IT Steering committee

The IT steering committee meetings Chaired by the Municipal Manager are sitting in every 3 months in order to maintain it's functionality.

We also had an opportunity to give back to the community as part of skills development where we had an intake of 8 students from Academy of Training & Development for IT Support learnership programme. The students had been with our IT section for 6 months and we've successfully assisted them in IT support, networking.

COMPONENT F: ORGANISATIONAL PERFOMANCE SCORECARD

Annual Performance Scorecard Report for the 2016/2017 is attached as Annexure A

COMMENT ON VACANCIES AND TURNOVER:

The vacancy and turnover rate within the municipality is at the stable level however this situation is improving and hopefully it will stability further as some of the initiatives to improve institutional operation systems are being realized.

COMPONENT A: MANAGING THE MUNICIPAL WORKFORCE

4.1 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	100%		1-Jun-06
2	Attraction and Retention	100%		2-Jun-16
3	Code of Conduct for employees	100%		1-Jun-16
4	Delegations, Authorisation & Responsibility	100%		1-Jun-06
5	Disciplinary Code and Procedures	100%		1-Jun-06
6	Essential Services			
7	Employee Assistance / Wellness	100%		1-Jun-06
8	Employment Equity	100%		1-Jun-06
9	Exit Management	100%		2-Jun-16
10	Grievance Procedures	100%		1-Jun-06
11	HIV/Aids	100%		1-Jun-06
12	Human Resource and Development	100%		1-Jun-06
13	Information Technology			
14	Job Evaluation	100%		1-Jun-06
15	Leave	100%		2-Jun-16
16	Occupational Health and Safety	100%		2-Jun-16
17	Official Housing			
18	Official Journeys			
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime			
21	Organisational Rights	100%		1-Jun-06
22	Payroll Deductions	100%		1-Jun-06
23	Performance Management and Development	100%		1-Jun-06
24	Recruitment, Selection and Appointments	100%		2-Jun-16
25	Remuneration Scales and Allowances	100%		2-Jun-16
26	Resettlement			
27	Sexual Harassment	100%		1-Jun-06

28	Skills Development	100%		1-Jun-06
29	Smoking	100%		1-Jun-06
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing	100%		2-Jun-16
33	Other:			
Use name of local policies if different from above and at any other HR policies not listed.				*T 4.2.1*

4.2 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	103	19	18%	21	103
Temporary total disablement	75	4	5%	15	75
Permanent disablement	0	0		0	
Fatal	0	0		0	
Total	178	23	13%	36	178
					T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	204	90%	92	30	1.34	
Skilled (Levels 3-5)	180	80%	88	22	1.18	
Highly skilled production (levels 6-8)	136	92%	56	58	0.89	
Highly skilled supervision (levels 9-12)	98	80%	42	26	0.64	
Senior management (Levels 13-15)	76	77%	22	11	0.50	
MM and S57	65	67%	5	5	0.43	
Total	759	81%	305	152	4.99	0

COMMENT ON INJURY AND SICK LEAVE:

The municipality encountered no major injuries on duty that is worth mentioning during the year under review. However this cannot be said about the sick leave situation which requires urgent attention. Measures have been put in place to make sure that this situation is addressed urgently. Injuries on duty can be minimised by means of complying to the OHS Act and its Regulations and that means less IOD leaves will be taken.

COMPONENT B: CAPACITATING THE MUNICIPAL WORKFORCE

4.3 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s57	Female								1	1	1		1	1
	Male								4	4	2		4	2
Councillors, senior officials and managers	Female								2	2	3		2	3
	Male								2	2	4		2	4
Technicians and associate professionals*	Female								4	4	2		4	2
	Male								8	8	9		8	9
Professionals	Female								4	4	6		4	6
	Male								3	3	2		2	2
Sub total	Female									11	12		11	12
	Male									17	17		16	17
Total		0	0	0	0	0	0	0	28	56	58	0	54	58

*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The financial position of the municipality had resulted in the situation where some of the programs which had been planned for implementation could not be implemented. What further compounded this situation was that the external grant funding which was applied and approved could not be made available on time in order to implement training programs. The situation is being looked at by ensuring that engagements takes place with relevant institutions and stakeholder in order to improve this situation

COMPONENT C: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

It is important to ensure that the workforce expenditure is kept under constant control and the municipal has put in place various mechanism of ensuring that all future filling of vacancies is complemented by available budget and string approval process

CHAPTER 5 – FINANCIAL PERFORMANCE

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- **Component A:** Statement of Financial Performance
- **Component B:** Spending against Capital Budget
- **Component C:** Other Financial Matters

The Municipality sought to control inflationary pressures during the year by implementing budgetary control measures.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

A summary of the Financial Performance is contained on the following page. The municipality has budgeted for & realized a deficit financial outcome. This is mainly because of the cost of depreciation charges that is a non-cash item.

However stringent cash flow monitoring must be implemented in order to prevent the municipality being exposed to financial distress.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

EC102 Blue Crane Route - Reconciliation of Table A1 Budget Summary

Description	2016/17								2015/16
R thousands	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
Financial Performance									
Property rates	11 090	50	11 140	11 153		13	100.1%	100.6%	10 095
Service charges	108 317	8 818	117 135	121 960		4 825	104.1%	112.6%	101 944
Investment revenue	1 001	–	1 001	1 281		280	128.0%	128.0%	1 446
Transfers recognised - operational	51 654	305	51 959	51 263		(696)	98.7%	99.2%	52 419
Other own revenue	9 757	1 279	11 036	9 371		(1 666)	84.9%	96.0%	7 335
Total Revenue (excluding capital transfers and contributions)	**181 819**	**10 452**	**192 271**	**195 028**		**2 757**	**101.4%**	**107.3%**	**173 239**
Employee costs	73 523	2 866	76 389	73 641	(2 761)	(2 748)	96.4%	100.2%	69 233
Remuneration of councillors	4 136	(85)	4 051	3 801	(250)	(250)	93.8%	91.9%	3 980
Debt impairment	6 335	1 630	7 965	13 413	5 448	5 448	168.4%	211.7%	8 405
Depreciation & asset impairment	35 189	(740)	34 449	36 326	(1 221)	1 878	105.5%	103.2%	34 777
Finance charges	3 749	2 196	5 945	6 157	212	212	103.6%	164.2%	5 733
Materials and bulk purchases	65 378	10 866	76 244	74 857	(1 387)	(1 387)	98.2%	114.5%	67 997
Transfers and grants	1 053	–	1 053	911	(180)	(142)	86.5%	86.5%	1 090
Other expenditure	28 213	998	29 211	30 024	651	813	102.8%	106.4%	30 608
Total Expenditure	**217 576**	**17 731**	**235 307**	**239 129**	**511**	**3 822**	**101.6%**	**109.9%**	**221 822**
Surplus/(Deficit)	**(35 757)**	**(7 279)**	**(43 036)**	**(44 102)**		**(1 066)**	**102.5%**	**123.3%**	**(48 584)**
Transfers recognised - capital	24 983	(1 288)	23 695	22 113		(1 582)	93.3%	88.5%	18 170
Contributions recognised - capital & contributed	–	–	–	–		–	-		–
Surplus/(Deficit) after capital transfers & contributions	**(10 775)**	**(8 566)**	**(19 341)**	**(21 989)**		**(2 648)**	**113.7%**	**204.1%**	**(30 414)**
Share of surplus/ (deficit) of associate	–	–	–	–		–	-	-	–
Surplus/(Deficit) for the year	**(10 775)**	**(8 566)**	**(19 341)**	**(21 989)**		**(2 648)**	**113.7%**	**204.1%**	**(30 414)**
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	24 983	(5 927)	19 056	15 435		(3 621)	81.0%	61.8%	5 612
Public contributions & donations	–	–	–	–		–	-	-	–
Borrowing	–	–	–	–		–	-	-	3 300
Internally generated funds	8 214	(6 639)	1 575	1 317		(258)	83.6%	16.0%	3 419
Total sources of capital funds	**33 196**	**(12 565)**	**20 631**	**16 752**		**(3 879)**	**81.2%**	**50.5%**	**12 331**
Cash flows									
Net cash from (used) operating	19 601	(20 581)	(980)	13 542		14 523	-1381.3%	69.1%	15 947
Net cash from (used) investing	(18 183)	426	(17 757)	(16 054)		1 703	90.4%	88.3%	(12 325)
Net cash from (used) financing	(11 418)	7 460	(3 958)	(4 672)		(714)	118.1%	40.9%	(628)
Cash/cash equivalents at the year end	**(0)**	**(8 584)**	**(8 584)**	**6 929**		**15 513**	**-80.7%**		**14 113**

COMMENT ON FINANCIAL PERFORMANCE

The Municipality realised a deficit of R21.9million in the 2016/17 financial year against R30.4million deficit in 2015/16.

The Total expenditure was R230m and the total revenue an amount of R207million.

The main reason for these deficits are the cost of depreciation of R36.3million which the Municipality did not budget to be financed from revenue.

The other biggest cost components for 2016/17 financial year, was the personnel cost of R73.9million (32%of the total expenditure) and Bulk Purchases of electricity and water of R74.8million (33%)

On the Income side, the biggest income source was the Service charges of R112million (54% of the total income) and the Government grants of R72.9million (35%).

The Municipality debt impairment was R13.4million and that indicates an average pay rate from the consumers of 87% for the year.

The Municipality could only afford to budget for a pay rate of 91%. The 4% represents an amount of R3.9million that the Municipality did not receive in cash as per budget.

Property rates income was an amount of R11.2million which is only 5% of the Municipality's total income.

COMMENT ON VARIANCES ABOVE 10%.

Reasons for variances of 10% and more between the actual amounts and the budget for 2016/17 financial year can be seen on note 51 of the attached annual financial statements.

5.2 GRANTS

Grant Performance R' 000						
Description	Year 2015/2016	Year 2016/2017			Year 2016/2017 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	**47 184**	**46 338**	**46 338**	**46 338**		
Equitable share	44 654	44 713	44 713	44 713	0.00%	0.00%
Municipal Systems Improvement	930					
Finance Management Grant	1 600	1 625	1 625	1 625	0.00%	0.00%
Provincial Government:	**2 197**	**2 300**	**2 300**	**2 300**		
Sports and Recreation	2 197	2 300	2 300	2 300	0.00%	0.00%
District Municipality:	**810**	**853**	**853**	**853**		
Environmental Health	810	853	853	853	0.00%	0.00%
Other grant providers:	–	–	–	–		
Total Operating Transfers and Grants	**50 191**	**49 491**	**49 491**	**49 491**		

COMMENT ON OPERATING TRANSFERS AND GRANTS

The Municipality largest grant allocation was for Equitable share of an amount of R44.7million which was only R59 000 more than for the 2015/16 financial year.

This was one of the main reasons why the Municipality had cash flow constraints in the 2016/17 financial year.

The Municipality also received the Finance Management Grant as always of R1.6m and the Library grant of R2.3million.

The Municipal Systems Improvement Grant of R930 000 of 2015/16 was not received for 2016/17 and had also a huge impact on the mSCOA implementation system expenditure for 2016/17 that now had to be financed from the Finance Management Grant.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The asset base of the Municipality is integral to the Municipalities ability to provide services to the community in terms of its constitutional Mandate such as the provision of water, electricity, sanitation and maintenance of roads. It is the duty of the Municipality in terms of its asset management policy to ensure that assets are safeguarded and maintained so that they are operating in the manner intended for its use, and are not unproductive or idle.

Assets that are unproductive, idle or not operating in the manner intended or to sufficient capacity are assessed on an ongoing basis for impairment, and written off and replaced if where applicable.

COMMENT ON ASSET MANAGEMENT

The Municipality assets are management through an assets register for Infrastructure, Land and buildings, Investment properties and moveable assets.

All moveable assets are verified during the year and the life spans adjusted if it is found that the assets are not properly maintained or not in working condition.

Assets are also insured on a annual basis and the value of all assets are adjusted in the insurance renewal policy each year to match the replacement values.

The value of the assets in the Annual Financial statements is according to their original cost less accumulated depreciation.

5.4 REPAIRS AND MAINTENANCE EXPENDITURE

Repair and Maintenance Expenditure: Year 2016/2017				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	4880	3766	2918	40%
				T 5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

The Municipality is still only spent a very small percentage of its operating budget on repairs and maintenance.

This is because of the operating budget not generated enough surplus to do proper maintenance.

This will have serious implications in the near future on service delivery and funding should be seeking for specifically electricity network maintenance.

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

	2015/2016	2016/2017
Liquidity	0.95%	1.47%
Total Outstanding Consumer Debtors	59%	47%
Total Finance Charges to Operating Expenditure	2.6%	0.6%
Employee Cost	30.8%	32.2%
Repairs & Maintenance	1.2%	2%
Capital Expenditure	81%	64%
Operating Expenditure	101.6%	102%
Grants Income	35%	37%

COMMENT ON FINANCIAL RATIOS

The municipality performed better on its capital expenditure than the previous financial year.

The operating expenditure was spent according to the budget.

The municipality is still mostly dependent on grant income of 35%.

Employee cost came down from 32% to 30% because of vacancies not filled during the year.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

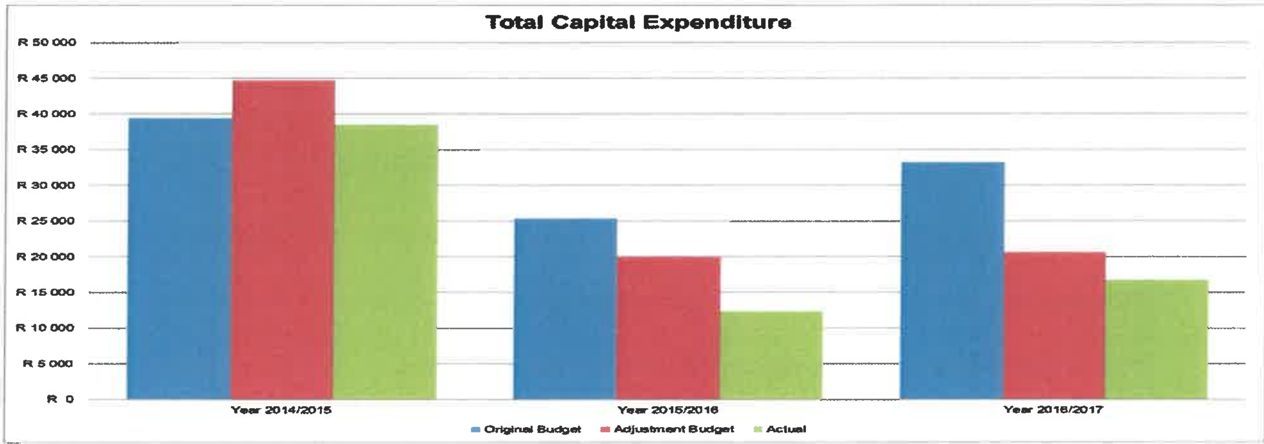
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned.

5.6 CAPITAL EXPENDITURE

The graph below depicts the ratio between Capital and Operating budgets as percentages of the total expenditure budget. The municipality is severely constrained with its Capital Budget as there are no cash surpluses to fund Capital Expenditure. The municipality is therefore largely dependent on Grant funding.

Total Capital Expenditure: Year 2014/2015 to Year 2016/2017			
	R'000	R'000	R'000
Detail	Year 2014/2015	Year 2015/2016	Year 2016/2017
Original Budget	R 39 411	R 25 343	R 33 196
Adjustment Budget	R 44 686	R 20 011	R 20 631
Actual	R 38 508	R 12 331	R 16 752
			T 1.4.4



5.7 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year 2015/2016 to Year 2016/2017						
						R' 000
Details	Year 2015/2016	Year 2016/2017				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	3300					
Public contributions and						
Grants and subsidies	5612	24983	19056	15435	-23.72%	-38.22%
Other	3419	8214	1575	1317	-80.83%	-83.97%
Total	**12331**	**33197**	**20631**	**16752**	**-104.55%**	**-122.18%**
Percentage of finance						
External loans	26.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	45.5%	75.3%	92.4%	92.1%	22.7%	31.3%
Other	27.7%	24.7%	7.6%	7.9%	77.3%	68.7%
Capital expenditure						
Water and sanitation	4892	1250	10435	8899	734.80%	611.92%
Electricity	1792	5900	4601	2348	-22.02%	-60.20%
Housing						
Roads and storm water	1322	20242	71	57	-99.65%	-99.72%
Other	4325	5805	5524	5448	-4.84%	-6.15%
Total	**12331**	**33197**	**20631**	**16752**	**608.29%**	**445.85%**
Percentage of expenditure						
Water and sanitation	39.7%	3.8%	50.6%	53.1%	1243.26%	1310.79%
Electricity	14.5%	17.8%	22.3%	14.0%	25.48%	-21.14%
Housing	0.0%	0.0%	0.0%	0.0%		
Roads and storm water	10.7%	61.0%	0.3%	0.3%	-99.44%	-99.44%
Other	35.1%	17.5%	26.8%	32.5%	53.12%	85.98%
						T 5.6.1

COMMENT ON SOURCES OF FUNDING

The Municipality did not take up any more external loans for capital expenditure during 2016/17. All Capital funding came from Government grants (R15.4million) and own funding of R1.3million

The Government grants which was received for Infrastructure was not fully utilized and an amount of R2.5million was rolled over to 2017/18 for electricity upgrading.

A percentage of 53% of the funding was utilised on Sewerage upgrading.

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects* R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Somerset East WWTW	7 000	7 475	5 785	17%	-7%
Cookhouse WWTW	2 386	2 386	1 453	39%	0%
Electricity upgrade	5 000	4 386	1 818	64%	12%
DR Server for mSCOA	0	324	281		
Sporting Facilities - Cookhouse	825	2 012	212	74%	-144%
** Projects with the highest capital expenditure in Year 0*					
Somerset East WWTW					
Objective of Project	To provide sewerage treatment to the Somerset East area				
Delays					
Future Challenges					
Anticipated citizen benefits					
Cookhouse WWTW					
Objective of Project	To provide sewerage treatment to the Cook House area				
Delays					
Future Challenges	To construct Phase 1 and 2				
Anticipated citizen benefits					
Electricity upgrade					
Objective of Project	To Upgrade the electricity network in the rural areas of the Municipal area				
Delays	Supply chain management processes				
Future Challenges	To spend the full allocation on time				
Anticipated citizen benefits					
DR Server for mSCOA					
Objective of Project	To have a modernised and fully mSCOA compliant financial system				
Delays					
Future Challenges	Internet connectivity and fully trained staff				
Anticipated citizen benefits					
Sporting Facilities - Cookhouse	New Sporting facilities at Cookhouse				
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
					T 5.7.1

COMMENT ON CAPITAL PROJECTS EXPENDITURE:

The municipality performed better in the 2016/17 year as the Capital expenditure performance increased from 62% in the 2015/16 year to 81% in the current year. The municipality adjusted the budget downwards from R 33.1 million to R 20.6 million in February 2017.

The main reason for this budget decrease, is the Municipality cash flow concerns as well as the MIG Grant that was adjusted from capital expenditure to redeem the loan taken up for the Somerset East WWTW.

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Blue Crane Route Municipality depends for the most part on Grant Allocation to eradicate its backlog effectively. However, the municipality does set out an annual budget to deal with backlogs. The department of Human Settlements has a programme of eradicating bucket system in Municipalities around the country. The BCRM has formed part of that programme aim at eradicating bucket system in the formal settlement. The Department has however indicated that this is a first phase and the next phase will look into eradicating bucket system in the informal settlement and the phase after that will look into eradicating sceptic tanks. The aim of the whole exercise is to provide/ connect communities to water borne system.

COMMENT ON BACKLOGS:

Service Backlogs as at 30 June Year 2016/2017				
				Households (HHs)
	*Service level above minimun standard		**Service level below minimun standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	19522	100	0	0
Sanitation	16354	100	716	23
Electricity	17184	100	0	0
Waste management	15676	100	0	0
Housing		%		%
*% HHs are the service above/below minimum starndard as a proportion of total HHs. 'Housing' refrs to * formal and ** informal settlements.*				*T 5.8.2*

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.10 CASH FLOW

EC102 Blue Crane Route - Reconciliation of Table A7 Budgeted Cash Flows

Description R thousand	2016/17							2015/16
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	113 868	17 009	130 876	114 820	(16 057)	87.7%	100.8%	105 823
Government - operating	51 654	(1 110)	50 544	52 798	2 253	104.5%	102.2%	52 419
Government - capital	17 983	683	18 666	17 983	(683)	96.3%	100.0%	23 298
Interest	3 179	(1 840)	1 339	1 251	(88)	93.4%	39.4%	1 409
Dividends			–		–	-	-	
Payments								
Suppliers and employees	(164 753)	(35 018)	(199 770)	(171 609)	28 161	85.9%	104.2%	(164 601)
Finance charges	(1 278)	(639)	(1 916)	(1 700)	216	88.7%	133.1%	(1 311)
Transfers and Grants	(1 053)	333	(720)		720	-		(1 090)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**19 601**	**(20 581)**	**(980)**	**13 542**	**14 523**	**-1381.3%**	**69.1%**	**15 947**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	100		100	408	308	408.3%	408.3%	4
Decrease (Increase) in non-current debtors			–	3	3			
Decrease (increase) other non-current receivables			–		–	-	-	3
Decrease (increase) in non-current investments			–		–	-	-	
Payments								
Capital assets	(18 283)	426	(17 857)	(16 466)	1 391	92.2%	90.1%	(12 331)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(18 183)**	**426**	**(17 757)**	**(16 054)**	**1 703**	**90.4%**	**88.3%**	**(12 325)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans			–		–	-	-	
Borrowing long term/refinancing			–		–	-	-	3 300
Increase (decrease) in consumer deposits	50	174	224	(42)	(266)	-18.7%		225
Payments								
Repayment of borrowing	(11 468)	7 287	(4 181)	(4 630)	(448)	110.7%	40.4%	(4 153)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(11 418)**	**7 460**	**(3 958)**	**(4 672)**	**(714)**	**118.1%**	**40.9%**	**(628)**
NET INCREASE/ (DECREASE) IN CASH HELD	(10 000)	(12 695)	(22 695)	(7 184)				2 994
Cash/cash equivalents at the year begin:	10 000	4 111	14 111	14 113				11 119
Cash/cash equivalents at the year end:	(0)	(8 584)	(8 584)	6 929	15 513	-80.7%		14 113

COMMENT ON CASH FLOW

The Municipality's cash balance at 30 June 2017 was an amount of R6.9m which decreases from last year's amount of R14.1m.

The main reason for this is that the operating budget was not fully cash backed and the surplus cash of the Municipality was utilized to finance the cash short fall.

The Cash balance at yearend is also sometimes misleading because a large group of creditors is paid in the following month depending on the invoices we received late and is also one of the reasons for the cash flow to decrease from 30 June 2016 to 30 June 2017.

However, the Municipality should seriously look to have a fully cash backed budget in the 2017/18 financial year and the years following that.

5.11 BORROWING AND INVESTMENTS

Actual Borrowings: Year 2014/2015 to Year 2016/2017			R' 000
Instrument	**2014/2015**	**2015/2016**	**2016/2017**
Municipality			
Long-Term Loans (annuity/reducing balance)	14243	14860	11364
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	4488	3422	2288
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	**18 731**	**18 282**	**13 652**
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0
			T 5.10.2

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality has considerably increased the size of its debt book over the past 5 years mainly due to the replacement of fleet and the R13 million loan required to accelerate MIG expenditure. The municipality could not settle the R13m loan earlier as per budget due to cash flow constraints.

The municipality invests surplus cash in accordance with the approved Investment policy.

COMMENTS ON BORROWING AND INVESTMENTS

The total balance of the external loans was an amount of R11,3million at 30 June 2017 (R14,8million on 30 June 2016). The balance of the total finance leases was an amount of R2,3million as at 30 June 2017 (R3,4million on 30 June 2016). The municipality did not take up any new loans in 2016/2017 financial year.

The municipality is paying an amount of R3,2million per annum for the loan taken up for the sewerage project in Somerset east.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

The Blue Crane Route Municipality has a Supply Chain Management Unit as reflected in the Financial Services Organogram.
The Supply Chain Management (SCM) is up and running within the BCRM and strict control measures are in place according to the MFMA, SCM Regulations, MFMA Circulars and the BCRM SCM Policy.
There are ten (10) posts within the Supply Chain Management Unit; they have been filled except for the Accountant: Supply Chain Management.

The following three (3) Bid Committees have been established and has the relevant meetings when tenders/bids, etc. are placed as per MFMA and Supply Chain Regulations:
1) Specification Bid Committee
2) Evaluation Bid Committee
3) Adjudication Bid Committee

The Supply Chain Management Policy that was adopted and implemented by the Sarah Baartman District Municipality (CDM) has been adopted by the Blue Crane Route Municipality(BCRM) after the relevant changes was made to comply with the Blue Crane Route Municipality's requirements, keeping the SCM regulations in mind. The policy has been reviewed in the 2015/16 financial year and accordingly approved on 30 May 2016. The municipality has also developed the SCM Policy on Infrastructure Procurement and Delivery Management and Contract Management which were approved on 30 June 2016.

5.13 GRAP AND mSCOA COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

MSCOA stands for "standard chart of accounts" and provides a uniform and standardised financial transaction classification framework. Essentially this means that mSCOA prescribes the method (the how) and format (the look) that municipalities and their entities should use to record and classify all expenditure (capital and operating), revenue, assets, liabilities, equity, policy outcomes and legislative reporting. mSCOA is a "proudly South African" project researched by National Treasury based on municipal practices, reporting outcomes, policy implementation and review, etc.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -2016/2017

The municipality accepted the Auditor General's (AG) report on the presentation of the municipality's financial information as at 30 June 2017. The areas of disagreement were noted in the Management Report, but the findings remained due to insufficient evidence being provided to the AG.

Report of the auditor-general to the Eastern Cape Provincial Legislature and council on Blue Crane Route Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Blue Crane Route Municipality set out on pages ... to ...., which comprise statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Blue Crane Route Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2015 (Act No.1 of 2015) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unauthorised expenditure

7. As disclosed in note 48 to the financial statements, unauthorised expenditure of R8 million (2015-16: R15,8 million) was incurred as a result of overspending of the total amounts appropriated for the votes in the approved budget.

Irregular expenditure

8. As disclosed in note 48 to the financial statements, irregular expenditure of R14,3 million (2015-16: R12,2 million) was incurred. This resulted from a contravention of the Supply Chain Management (SCM) Regulations.

Material losses

9. As disclosed in note 27 to the financial statements, electricity losses of 22% (2015-16: 24%) and water losses of 48% (2015-16: 50%) were incurred during the financial year.

Restatement of corresponding figures

10. As disclosed in note 42 to the financial statements, the corresponding figures for 2015-16 have been restated as a result of an error discovered during 2016-17 in the financial statements of the municipality for the year ended 30 June 2016.

Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

12. The supplementary information set out on pages x to x does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the Blue Crane Route Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the municipality or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2017:

Development priorities	Pages in the annual performance report
Key performance area (KPA) 2: basic service delivery and infrastructure development	x – x
KPA 3: local economic development	x – x

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:

KPA 2: basic service delivery and infrastructure development

Key performance indicator (KPI) 47: streetlights in the intersection of R335 and Charles Street installed

22. Annual target of the indicator was not measurable as it did not indicate the unit of measure to be used to report to the annual performance report.

KPI 48: purchased and install street lights (Cookhouse and Pearston)

23. Annual target for the indicator was not measurable as it did not indicate the unit of measure to be used to report to the annual performance report.

KPI 20: number of restaurants inspected

24. Annual target for the indictor was not measurable as it was not clear whether the target reported was 40 or 24 in the annual report.

KPI 19: number of inspections in butcheries conducted (compliance with Regulation R962 of 2013)

25. The reported target achieved for this indicator was 16, only 15 could be verified. There was an additional inspection identified but not reported.

KPI 46: by installing 1600m of streetlight aerial bundle conductor and lights

26. Annual target of the indicator was not measurable as it did not indicate the unit of measure to be used to report to the annual performance report.

KPA 3: local economic development (LED)

Number of small, medium and micro enterprises (SMMEs) supported by KPI 59 (LED)

27. The municipality did not have an indicator description or standard operating procedures for KPI 59. Municipal target was to assist four SMMEs; I could not get to how the municipality was planning to assist the SMMEs, what kind of programmes and the end result of the SMME after being assisted by the municipality. The municipality relied on programmes facilitated by other organs of state within municipal boundaries as evidence that it provided support.

Other matters

28. I draw attention to the matters below.

Achievement of planned targets

29. Refer to the annual performance report on pages... to....for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2: basic service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the

usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on audit of compliance with legislation

Introduction and scope

31. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

32. The material findings on compliance with specific matters in key legislations are as follows:

Strategic planning and performance management

33. For the LED function the performance management system and related controls were inadequate as it did not describe how the performance measurement and review processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

Expenditure management

34. Effective steps were not taken to prevent irregular expenditure of R14,3 million, as disclosed in note 45 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

35. Reasonable steps were not taken to prevent unauthorised expenditure of R8 million, as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Annual financial statements, performance and annual reports

36. The financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment, investment property and financial statements identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

37. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c).

38. Some of the quotations were accepted from bidders who did not submit a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

39. Some awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

40. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the previous year.

41. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

42. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.

Other information

43. The Blue Crane Route Municipality's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in the auditor's report.

44. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

45. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, however, if it is corrected this will not be necessary.

Internal control deficiencies

46. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation, however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the development priorities and the findings on compliance with legislation included in this report.

- In relation to performance reporting, management did not ensure that predetermined objectives were useful and reliable evidence was not maintained to support the

reported performance information. Overall, there was slow response to audit recommendations as evidenced by repeat findings on the annual performance report and non-compliance with legislation.

- The annual performance report contained material misstatements due to lack of proper review, which includes scrutinising and verifying the supporting evidence for each target reported in the annual performance report. Quarterly reports were not signed by relevant directors. The schedule of contingent liabilities, commitments, irregular expenditure and fixed asset register were not adequately maintained and reviewed to ensure that the schedules were accurate and complete. This resulted in material adjustments to the financial statements.

- The leadership ensured that all senior management positions and SCM vacancies were filled, except for vacancies in human resource management. However, the leadership did not enforce consequences for poor performance and transgressions of legislation, resulting in repeat findings on performance reporting and compliance with legislation.

Auditor-General

East London

30 November 2017

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

CHAPTER 7 - ANNUAL PERFORMANCE AS PER LOCAL GOVERNMENT KEY PERFORMANCE AREAS

1. ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT – KPA 1

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	11	11	100%	
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	0	1	100%	CFO resigned and a new one was appointed in the same financial year
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	4	4/4	100%	n/a
4	Percentage of Managers in Technical Services with a professional qualification	1	1/1	100%	N/A
5	Level of PMS effectiveness in the DM	It is performed in senior management only, not yet cascaded to			

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	– (DM to report)	lower levels			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	312	250	80%	Employees with low literacy levels took very long to complete questionnaires, they needed one – on - one assistance
8	Percentage of councillors who attended a skill development training within the current 5 year term	4	4/4	100%	n/a
9	Percentage of staff complement with disability	0	0	0	A feasibility study was conducted to establish disability friendliness of our buildings/ the municipal buildings. The study proved that most of our buildings are not disability friendly and gaps were

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
					identified towards compliance. However, the municipality has been unable to attend to the identified areas due to its financial constraints.
10	Percentage of female employees	11	0	0	A moratorium placed on recruitment
11	Percentage of employees that are aged 35 or younger	n/a	0	0	The employer does not have employment targets based on age
12	Adoption and implementation of a District Wide/ Local Performance Management System	1	1	1	Adopted December 2016

Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year	Comments
1	Percentage of households with access to potable water						
2	Percentage of indigent households with access to free basic potable water						
3	Percentage of clinics with access to potable water						
4	Percentage of schools						

	with access to potable water						
5	Percentage of households in formal settlements using buckets						

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year	Comments
1	Percentage of households with access to electricity services						
2	Percentage of indigent households with access to basic electricity services						
3	Percentage of indigent households						

	with access to free alternative energy sources						

Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year	Comments
1	Percentage of households with access to sanitation services						
2	Percentage of indigent households with access to free basic sanitation services						
3	Percentage of clinics with access to sanitation services						
4	Percentage of schools with access to sanitation services						

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/cu	Estimated backlogs (actual	Target set for the f. year under	Number of HH/custo	Percentage of achievem	Comments

		stomer expected to benefit	numbers)	review (Actual numbers)	mer reached during the FY	ent during the year	
1	Percentage of households without access to gravel or graded roads						
2	Percentage of road infrastructure requiring upgrade						
3	Percentage of planned new road infrastructure actually constructed						
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.						

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year

1	Percentage of households with access to refuse removal services	9761	0	9761	9761	100%
2	Existence of waste management plan	There is a plan in place but it is due for reviewal				

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements					
2	Percentage of informal settlements that have been provided with basic services					
3	Percentage of households in formal housing that conforms to					

	the minimum building standards for residential houses					
4	Existence of an effective indigent policy	**THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM**				
5	Existence of an approved SDF					
6	Existence of Land Use Management System (LUMS)					

3. LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
1	Existence of LED unit				The unit is not yet established. The municipality does not have a dedicated person to carry the LED Functions
2	Percentage of LED Budget spent	0	0	0	0

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
	on LED related activities.				
3	Existence of LED strategy	There is an existing strategy in place however the strategy is due for reviewal . The municipality is in the process of reviewing it.			
4	Number of LED stakeholder forum meetings held	0	0	0	
5	Plans to stimulate second economy	0	0	0	0
6	Percentage of SMME that have benefited from a SMME support program	4	4	100%	
7	Number of job opportunities created through EPWP	151	151	100%	
8	Number of job opportunities created through PPP	0	0	0	

4. FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

	Indicator name	Target set for the year R(000)	Achievement level during	Achievement percentage during

			the year R(000)	the year
1	Percentage expenditure of capital budget	20631	16752	81%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	32%	31%	97%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	10%	11%	110%
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	73%	74%	101%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	5%	(20%)	(30%)
6	Percentage of MIG budget appropriately spent	100%	100%	100%

7	**Percentage of FMG budget appropriately spent**	100%	100%	100%
8	**AG Audit opinion**	Unqualified Audit Report	Unqualified Audit Report	100%
9	**Functionality of the Audit Committee**	100%	100%	100%
10	**Submission of AFS after the end of financial year**	Submitted on due date	Submitted on due date	100%

5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
1	% of ward committees established	100%	100%	100%	
2	% of ward committees that are functional	100%	50%		Due to the term of new council the ward committees were disbanded
3	Existence of an effective system to monitor CDWs	**THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM**			
4	Existence of an IGR strategy	No strategy in place			
5	Effective of IGR structural meetings	They are combined with IDP Rep Forum, they sit quarterly.			
6	Existence of an effective communication strategy	The strategy was adopted in December 2016			

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
7	Number of mayoral imbizos conducted	Twice in all wards	Twice in all wards (April and September)	100%	
8	Existence of a fraud prevention mechanism	There is a policy in place ,currently due for reviewal			

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance

	measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

C+D20+A1:F16+A1:F20+A1:F19+A1:F18+A1:F17+A1:F16					
Council Members	**Full Time / Part Time** **FT/PT**	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings Attendance** **%**	**Percentage Apologies for non-attendance** **%**
B. A. Manxoweni	FT	Finance	ANC	100%	0%
N. P. Nkonyeni	PT	Finance, Technical Services, MPAC,LLF	ANC	76%	24%
K. C. Brown	PT	Finance	DA	82%	18%
F. P. Brown	PT	Technical Services, MPAC,	DA	100%	0%
J. M. Martin	PT	Corporate Services, MPAC,LLF	DA	88%	12%
M. Kwatsha	PT	Community Services, Corporate Services,MPAC,LLF.	Ward 1- ANC	94%	6%
C. du Plessis	PT	Community Services.	Ward 2- DA	82%	18%
T. C. Xakaxa	PT	Community Services, Corporate Services ,Technical Services.	Ward 3- ANC	88%	12%
T. A. Grootboom	PT	Finance	Ward 4- ANC	82%	18%
A. Hufkie	PT	Community Services, Corporate Services, Finance, MPAC,LLF	Ward 5- ANC	88%	12%
P. Sonkwala	PT	Community Services, Corporate Services, Technical Services.	Ward 6- ANC	94%	6%

*Note: * Councillors appointed on a proportional basis do not have wards allocated to them* *T A*

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**

Finance	Receive and peruse Finance Department's monthly reports and related items.
	Discuss the above reports regarding Income, Expenditure, Supply Chain Management.
	Make recommendations to Council for final adoption of reports and items.
Corporate Services	Receive and peruse Corprate Services Department's monthly reports and related items.
	Discuss the above reports related to Human Resources,Administration and Housing and
	Land Use. Discuss the above and make recommendations to Council for final adoption
Community Services	Receive and peruse the Community Services' monthly reports and items submitted by the
	department. Discuss the above reports that are related to Environmental Health, Protective
	Services,Fire and Disaster, pound and Commonage.Recommend to Council on matters
	in the above reports for final adoption.
Technical Services	Receive and peruse monthly reports and items from the department. The reports are related to
	Electricity, Roads and Stormwater,Water and Sanitation, Mechanical Workshop,MIG.
	Discuss the above reports and submit recommendations to Council for adoption
	T B

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure		
Directorate	**Director/Manager (State title and name)**	**Unit**
Municipal Manager	**Municipal Manager - Mr. Thabiso Klaas**	
		Town Administration
		Integrated Development Plan (IDP)/Performance Management System (PMS)
		Internal Audit
		Information and Communication Technology (ICT)
		Customer Care
		Media and Communications
		Special Programmes
		IGR/Public Participation
Corporate Services	**Director: Corporate Services - Mr Fezekile Gideon Cotani**	
		Administration
		Human Resource (HR)
		Housing and Land Usage Management
		Labour Relations
Technical Services	**Director: Technical Services - Ms. Zukiswa Ntile**	
		Electrical services
		Roads and Stormwater
		Water and Sanitation
		Building Control and Maintenance
		PMU
Community Services	**Director: Community Services - Mr. Sizwe Lochore Mvunelwa**	
		Environmental Management Services
		Fire Services
		Library Services
		Traffic Services
Financial Services	**Director: Finance (CFO) - Mr. Nigel Delo**	
		Finance Management and Reporting
		Revenue and Expenditure
		Supply Chain and Asset Management
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).		*T C*

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	Yes	
Child care facilities	No	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	No	Yes
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	Yes	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	Yes	
Public places	Yes	

Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking		
If municipality: indicate (yes or No); * If entity: Provide name of entity		

TD

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
Ward 1	Cllr M. Kwatsha	Yes	NA		
	Busisiwe Kwatsha				
	Pelela Mtshawu				
	Khanyiso Twenty				
	Nomawabo Sikwebu				
	Odwa Koba				
	Sonwabo Mbane				
	Melville Winnaar				
	Daphne Twenty				
	Vuyokazi Fani				
	Bulelwa Ximiya				
Ward 2	Cllr C. du Plessis	Yes	NA		
	Cyril Nel				
	Mbulelo Cakana				
	Tozamile Wilson				
	Archer Brendo Heynse				
	Katriena Williams				
	Rosalee May Bradfield				
	Linda Fani				
	Nanziwe Lolonga				
Ward 3	Cllr Thobile Xakaxa	Yes	NA		
	Asisipho Nywebeni				
	Ayanda Dyantyi				
	Xolisile Tom				
	Silumko Wiseman Lawrence				

	Mandilakhe Storm				
	Ntombizanele Stuurman				
	Khayalethu Nana				
	Thobile Sibaca				
	Ntombizodwa Mahobe				
Ward 4	Cllr Thabo Grootboom	Yes	NA		
	Levin Doro				
	Edward Mc Kenzie				
	Jersey Charlie				
	Tomasile Gans				
	Lungiswa Zokufa				
	Marzanne Baartman				
	Mlungisi Dinge				
	Nompumelelo Sokoyi				
	Gerald Zongezile Danster				
	Maria Blouw				
Ward 5	Cllr Anthony Hufkie	No	NA		
Ward 6	Cllr Phandulwazi Sonkwala				
	Thembela Komani				
	Sinazo Silimeni				
	Amanda Soxujwa				
	Unathi Mali				
	Noma- Afrika Piliso				
	Anneliza Baskiti				
	Lungelwa Mtengwana				
	Sindiswa Mjekula				
	Phathisizwe Mantewu				
	Ntombizanele Dwane				
					TE

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)		
Capital Projects: Seven Largest in Year 2016/2017 (Full List at Appendix O)		**R' 000**
No.	**Project Name and detail**	**Total Value**
Ward 1 to 6	Orange Fish Electrical boards	222 846
Wards 1 & 6	Upgrade Sewer Plant Cookhouse	362 585
Wards 2; 3 & 5	Somerset East Waste Water Treatment Works (SE WWTW)	4 132 061
Ward 4	Sport Facilities - Pearston	1 593 264
Wards 1 & 6	Sport Facilities - Cookhouse	2 288 438
Wards 1 to 6	Refurbishment of Sanitation Truck (rebuilding a truck with a new engine and installation of a steel tanker)	73 020
Ward 4	Pearston Tea Room	256 253
		T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	9 761	7 819	8 592	7 838	
Households without minimum service delivery		358			
Total Households*	**9 761**	**8 177**	**8 592**	**7 838**	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2016/2017

Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during Year 0**	**Recommendations adopted (enter Yes) If not adopted (provide explanation)**
27-Jun-17	**Recommendations based on Supply Chain Management:** **.1 a)**. Management should ensure that all the information required from prospective suppliers is supplied before they are included in the database. **b)**. Management should ensure that before suppliers are included in the list of preferred suppliers, the application form with all the necessary documentation is verified, reviewed and authorized for completeness. Suppliers that do not meet the requirements should be removed from the preferred supplier data base until the required information is obtained. The information should be requested on an annual basis to ensure that the information provided is current. **c)**. The Supply Chain Management department should ensure that a quarterly supplier's performance report is forwarded on quarterly basis to the Accounting Officer; the report should include but not limited to the following: • Delivery on agreed timelines • Delivery on agreed budget • Delivery on agreed requirements and levels of service delivery Implement monitoring controls over orders by verifying whether orders are executed and delivered as per the agreed date and assess whether SCM processes are cost efficient. **d)**. Management should ensure that when developing a municipal contract register, must be in line with the contract management system as approved by accounting officer **e)**. Management should make any information available for internal auditors so that be advisable about inherent errors in the system. **f)**. Management should document all irregular expenditures and report to accounting officer and the council accordingly.	YES

23-Feb-17	**Recommendations based on Revenue Management:** **1 a).** Management should ensure that all account holders owing the municipality are listed as defaulters and further actions should be taken and report to the council if necessary **b).** Management should ensure that all the municipal losses are properly recorded in order to able to account to the council or finance standing committee. **c).** Management should ensure that every financial year review municipal policies, strategies and by-laws in line with the IDP in order to identify gaps and achieve municipal objectives. **d).** Management should ensure that the financial information captured on the system must be reviewed by senior personnel. **e).** Management should develop and implement the by-law or building control policy in line with the municipal operations that will give guidance to the approval of building plans. **f).** Management should ensure that after building control officer having received the building plans must make it a point that recommendation is granted to technical service director and forwarded to Municipal manager for approval. **g).** Management should develop and implement the recovery plan that will assist the municipality to recover its losses on water and electricity distribution. **h).** The senior personnel should ensure that full and proper records of traffic department are kept and open file for traffic fines for each month. **i).** Management should develop a control document to record the following: □ Stray animal's fees □ Trespassing □ Driving fees □ Pound fees □ Sustenance fees **j).** Management should develop a loss control policy that will reduce direct and indirect costs through the timely detection and correction of conditions (identified risks) that may cause losses in water and electricity. **k).** Management should develop procedure manual for hall hiring and ensure that the custody of halls remains under corporate service department. **l).** Management should develop a manual cemetery register in the absence of automated system in order to keep proper records for Somerset East grave yards and surrounding areas i.e. cookhouse and pearston.	YES

27-Jun-17	**Recommendations based on fleet management:** **1 a)**.Management should ensure that the draft vehicle usage policy must include all aspects relate to fleet management of the municipality for every municipal official responsible for fleet to understand his/her role in terms of fuel consumption. **b)**.Management should develop a sound control system that will held every driver accountable for the municipal vehicle he/she is driving and install a tracking devices to each municipal vehicle. Tracker devices can also be a great help. It is firstly a great assistance in finding stolen vehicles and as a tool to reduce insurance cost. **c)**.Departments should ensure that log books are properly completed and check by the senior personnel for correctness furthermore asset and liability accountant should make sure that every municipal vehicle has the log book. **d)**.The sectional head should ensure that Vehicle Log Sheets are checked against the authorized trip authority and any discrepancies explained by the driver, and submit the reviewed log sheet to the HOD for approval. **e)**.Management should ensure that Municipal Drivers and official responsible for fleet understand the requirements of the fleet management policy. Secondly Management should ensure that monthly fuel consumption reconciliation is performed by the person designated for fleet and ensure that all the documentation is properly filed. **f)**.Management should make any information available for internal auditors so that be advisable about inherent errors in the system. **g)**.Management should ensure that council vehicles are kept in a safety place during and after working hours to reduce the risk of theft and vehicle misuse. **h)**.Management should ensure that municipal vehicles including plant machinery are maintained and repaired immediately once a report is submitted to the responsible supervisor. **i)**.Management should ensure the responsible officials/department correctly update the fleet management register on a regular basis (quarterly/annually) with correct information. **(j)** Assets that were disposed/auctioned and those that are not usable should be disposed according to disposal policy and removed from the register as they might over estimate the value of the municipality assets.	YES

23-Feb-17	**Recommendations based on Performance:** **1 a).**Management should ensure that a checklist is developed at the beginning of the IDP drafting process or amendment thereof. This checklist should be monitored along the process for compliance with deadlines and other requirements. **b).**Management should ensure that they are familiar with the Treasury Framework **c)** SDBIP draft should be thoroughly reviewed to identify indicators that are not well defined and for consistency across the document. **d)** Quarterly performance information should be submitted timeously to enable thorough review of information and reasons for non-performance	YES
23-Nov-16	**Recommendation based on financial reporting**: That the municipal manager and the Mayor make a follow up with the department of rural development regarding the arrear debt. That the municipality obtain a legal opinion on the aspect and submit the legal opinion to the legal department of the department of rural development.	YES
27-Jun-17	**Recommandation based on Fraud:** That the Mayor should meet with the MEC at the MUNIMAC Meeting to discuss the matter of fraud case which amounted to R800 000 rand. 2) That the Chairperson of the Audit Committee should send an email to the Crimes Unit expressing their concern about the progress on the matter and that they should respond as soon as possible. 3) That Management should make it a standing item on their agenda for the purposes of progress. 4) That the municipality should proceed with internal investigations.	YES
		T G

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts Entered into during Year 2015/2016)					R' 000
Name of Service Provider (Entity or Municipal Department)	**Description of Services Rendered by the Service Provider**	**Start Date of Contract**	**Expiry date of Contract**	**Project manager**	**Contract Value**
Standard Bank	Long-term Loan linked to purchase of Bakkies and Extension of Traffic Building	28-Jun-16	27-Jun-21	Manager: Financial Management & Reporting	3 300
					T H.1

APPENDIX I – MUNICIPALITY ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE

Report attached as Annexure B

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2016 to 30 June 2017		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	B MANXOWENI	NIL
Member of MayCo / Exco		
Councillor	N NKONYENI	MEMBERSHIP IN A CLOSE CORPORATION; PROPERTY
	K C BROWN	SHARES; MEMBERSHIP IN A CLOSE CORPORATION, PROPERTY & OTHER FIN INTEREST
	F P BROWN	SHARES, OTHER FIN INTEREST
	C DU PLESSIS	PARTNERSHIP, PROPERTY
	T GROOTBOOM	NIL
	A HUFKIE	OTHER FIN INTEREST
	M KWATSHA	DIRECTORSHIP
	J M MARTIN	NIL
	S P SONKWALA	SHARES
	T C XAKAXA	MEMBERSHIP IN A CLOSE CORPORATION; PROPERTY
Municipal Manager	T KLAAS	PROPERTY
Chief Financial Officer	N DELO	PROPERTY
	G GOLIATH	PROPERTY
Deputy MM and (Executive) Directors	F COTANI	PROPERTY
	S MVUNELWA	PROPERTY
	Z NTILE	PROPERTY
Other S57 Officials		
** Financial intersests to be disclosed even if they incurred for only part of the year. See MBRR SA34A*		T

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2015/2016	Current: Year 2016/2017			Year 2016/2017 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Municipal Council	20 223	20 276	20 286	20 286	0%	0%
Accounting Officer	632		337	169	100%	-99%
Budget and Treasury	17 683	16 889	17 382	18 312	8%	5%
Technical Services	136 268	153 505	161 594	160 105	4%	-1%
Community, Safety & Social Services	16 458	16 043	16 258	16 572	3%	2%
Corporate Services	144	89	110	1 669	95%	93%
Total Revenue by Vote	**191 408**	**206 802**	**215 967**	**217 113**		

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	2015/2016	2016/2017			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	10 095	11 090	11 140	11 153	1%	0%
Property rates - penalties & collection charges			–		0%	0%
Service charges - electricity revenue	83 662	87 673	96 221	98 893	11%	3%
Service charges - water revenue	9 526	10 596	11 377	13 606	22%	16%
Service charges - sanitation revenue	3 805	4 417	4 132	4 134	-7%	0%
Service charges - refuse revenue	4 711	5 412	5 187	5 068	-7%	-2%
Service charges - other	239	218	218	259	16%	16%
Rental of facilities and equipment	63	75	63	47	-59%	-34%
Interest earned - external investments	1 446	1 001	1 001	1 281	22%	22%
Interest earned - outstanding debtors	3 153	2 723	3 150	3 848	29%	18%
Dividends received			–		0%	0%
Fines	60	70	70	72	3%	3%
Licences and permits	745	632	820	832	24%	1%
Agency services	676	660	750	885	25%	15%
Transfers recognised - operational	52 419	51 654	51 959	51 095	-1%	-2%
Other revenue	2 638	5 498	5 694	3 790	-45%	-50%
Gains on disposal of PPE		100	489	65	-53%	-648%
Total Revenue (excluding capital transfers and contributions)	**173 239**	**181 819**	**192 271**	**195 028**	**6.77%**	**1.41%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						*T K.2*

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Finance Management	1 625	1 625	1 625	–	–	
EPWP Incentive	1 008	1 008	1 008	–	–	
INEP	5 000	5 000	5 000	–	–	
Library	2 300	2 300	2 300	–	–	
Environmental Health'	853	853	853	–	–	
Yout and Tourism developments			700			
Fire Fighters	472	472	908	436	436	
Total	**11 258**	**11 258**	**12 394**			

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

EC102 Blue Crane Route - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		267	–	–	5 300	4 809	4 809	–	–	–
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		–	–	–	5 200	4 586	4 586	–	–	–
Generation										
Transmission & Reticulation					5 200	4 586	4 586			
Street Lighting										
Infrastructure - Water		–	–	–	100	223	223	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation					100	223	223			
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		267	–	–	–	–	–	–	–	–
Waste Management										
Transportation	2									
Gas										
Other	3	267								
Community		–	–	–	–	–	–	–	–	–
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		–	–	–	–	–	–	–	–	–

Housing development										
Other										
Other assets		495	1 390	-	340	150	150	-	-	-
General vehicles			146							
Specialised vehicles	10	-	-	-	250	150	150	-	-	-
Plant & equipment		437								
Computers - hardware/equipment										
Furniture and other office equipment		59	138							
Abattoirs										
Markets										
Civic Land and Buildings			1 105		90					
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other *(list sub-class)*										
Total Capital Expenditure on renewal of existing	1	762	1 390	-	5 640	4 959	4 959	-	-	-

Specialised vehicles		-	-	-	250	150	150	-	-	-
Refuse										
Fire										
Conservancy					250	150	150			
Ambulances										

Renewal of Existing Assets as % of total capex		1.9%	3.6%	0.0%	17.0%	24.0%	24.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		2.4%	4.1%	0.0%	16.0%	14.4%	14.4%	0.0%	0.0%	0.0%

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Attached as Annexure D

BLUE CRANE ROUTE MUNICIPALITY (102 EC)

TOLERANCE, TRUST, TENACITY

ANNUAL PERFORMANCE REPORT 2016/2017 FINANCIAL YEAR

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Introduction

In May 2016 BCRM adopted its 5th IDP Review, subsequent to that SDBIP was developed and approved by the Mayor as per circular 13 and further adjusted after budget adjustments . The report seeks to give an overview of the BCRM performance during the 2016/2017 financial year.

Legislative Requirements

As per section 40 of the Municipal Systems Act of 2000 (MSA), a Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organizational, departmental and employee level.

Section 41 of the MSA requires a Municipality to set appropriate KPI's as a yardstick for measuring performance as well as measurable performance targets, with regard to each of the Municipality's development priorities and objectives as set out in the IDP. With regard to these KPI's and targets, S41 (1) (c) requires that the Municipality monitor performance and that it measures and reviews this performance at least annually.

Section 46 of the Municipal Systems Act (MSA) requires the Municipality to prepare a performance report for each financial year reflecting the performance of the service providers during the that financial year, comparison of the performances with set targets for and the performances of the previous financial year and measures taken to improve performance .The Act further requires that the report form part of the Municipality's annual report, in terms of Chapter 12 of the Municipal Finance Management Act (MFMA).

Comparison of BCRM's current performance with previous 2 financial year's performance:

DEPARTMENTAL PERFORMANCE RESULTS OVER 3 YEARS BASED ON SDBIP TARGETS			
FINANCIAL YEAR	**2014/2015**	**2015/2016**	**2016/2017**
OVERALL PERFORMANCE	**79 %**	**83%**	**72%**
Municipal Transformation and Institutional Development **(Corporate Services)**	77%	59%	41%
Service Delivery and Infrastructure Development **(Technical services)**	67%	77%	62%
Service Delivery and Infrastructure Development **(Community Services)**	53%	96%	100%
Municipal Finance Viability **(Financial Services)**	87%	86%	78%
Good Governance and Public Participation **(Office of the Municipal Manager)**	100%	92%	81%

Organisational performance as per the SDBIP 2016/2017

Departments	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Municipal Transformation and Institutional Development **(Corporate Services)**	**57**	29	40	40
Service Delivery and Infrastructure Development **(Technical services)**	**70**	57	70	62
Service Delivery and Infrastructure Development **(Community Services)**	**100**	100	100	100
Municipal Finance Viability **(Financial Services)**	**89**	33	90	100
Good Governance and Public Participation **(Office of the Municipal Manager)**	**81**	75	90	77

Comments by the Municipal Manager

According to section 54 of the MFMA the Mayor must; on receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget. The necessary changes have been made in both performance indicators and performance targets .

The following has been attached as annexures:

- **Detailed 2016/2017 Performance results presented per department is attached as annexure A**
- **Performance of the Service Providers attached as Annexure B**

Signed by:

Mr T Klaas — **Cllr B. Manxoweni**

Municipal Manager — **Mayor /Speaker**

ANNEXURE A– DEVIATIONS 01 JANUARY TO 31 MARCH 2017

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
APRIL 2017							
07/04/2017	ALGOA TOYOTA	80000KM SERVICE AS PER QUOTATIONS - FTY 745	SERVICE TO BE DONE BY AGENTS WHICH IS HINO ALGOA	s36(1)(a)(v)	AAO	R 3 089.05	48322
20/04/2017	A&D POWER	REPAIR OF CABLE AT BOSBERG SUBSTATION	ON 24 MARCH 2017 A RING MAIN UNIT CABLE IN BOSRIVIERDEVELOPED A FAULT DUE TO HEAVY THUNDERSTORMS AND AREA OF THE TOWN ,PAULET STREET AND WESTVIEW WERE LEFT WITHOUT POWER. A& D WHICH IS THE ONLY SERVICE PROVIDERIN BCRM DATABASE THAT DOES CABLE FAULT AND REPAIRS WAS CALLED TO ASSIST WITH THE EMERGENCY REPAIRS TO RESTORE POWER.	s36(1)(a)(v)	AO	R 21 648.60	48377
20/04/2017	A&D POWER	REPAIR OF MINI SUBSTATION	ON 24 MARCH 2017 A MINISUBSTATION IN NKQANTOSI SOMERSET EAST WAS DAMAGED BY LIGHTNING AND JOHNSON NQONQOZA HIGH SCHOOL AS WELL AS NKQANTOSI WERE LEFT WITHOUT POWER.A&D POWER WHICH IS THE ONLY SERVICE PROVIDER THAT IS BCRM DATABASE THAT DOES TESTING AND REPAIRS ON MINISUBSTATIONS WAS CALLED TO ASSIST WITH THE EMERGENCY REPAIRS.	s36(1)(a)(v)	AO	R 29 400.60	48378
06/04/2017	SONDLO AND KNOPP ADVERTISING CC	FWQ03/2017,T04/2017,T06/2017,T07/	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s36(1)(a)(v)	AO	R 5 964.48	48307
18/04/2017	SONDLO AND KNOPP ADVERTISING CC	T08/2017-SOMERSET EAST,COOKHOUSE AND PEARSTON STREET LIGHT PROJECT	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s36(1)(a)(v)	AO	R 12 674.52	48365
07/04/2017	BLUE CRANE PRINTERS	PUBLICATION OF NOTICE 17/2017	WE ARE ADVERTISING IN THE LOCAL PAPER .HAARTLANDNUUS IS THE ONLY SERVICE PROVIDER IN AREA.	s36(1)(a)(v)	AO	R 2 346.12	48317
07/04/2017	BG SECURITY	ALARM SERVICES AT VARIOUS BUILDINGS	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCRM AREA.	s36(1)(a)(v)	AO	R 7 280.00	48312

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
07/04/2017	CHRIS BAKER AND ASSOCIATES INC	G SAMMY INVOICE C15952	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER CHRIS BAKER AND ASSOCIATES ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 4 142.33	48313
25/04/2017	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 92 475.39	48411
25/04/2017	SONDLO AND KNOPP	ADVERT FOR VACANT POSITION	WE REQUESTED QUOTATIONS FROM SONDLO AND KNOPP,DAILY DISPATCH AND HERALD.DAILY DISPATCH DID NOT RESPOND.	s36(1)(a)(v)	AAO	R 6 846.64	48412
06/04/2017	MEDIA TIMES	NOTICE NO15/2017 DRAFT IDP 2017-2022	WE REQUESTED QUOTATION FROM THE SINCE IT CAN BE REACHED BY EVERYONE.AND IS THE CHEAPEST FROM SONDLO AND KNOPPADVERTISING AGENCY.	s36(1)(a)(v)	AO	R 5 591.70	48306
21/04/2017	TRACKOS	REPLACEMENT BATTERY FOR 16 KVA UPS	CURRENTLY WE'VE GOT A MAINTENANCE AGREEMENT WITH TRACKOS FOR THE SERVICE ROOM ON THE PREVIOUS SERVICE TERM ON THE UPS IT WAS NOTICED THE BATTERIES WERE FAULTY AND NEEDED TO BE REPLACED.SO WE BUY THE BATTERIES FROM TRACKOS AS THEY ARE THE ONE WHO MUST REPLACE THEM UNDER THE MAINTENANCE CONTRACT.UPS INCORPORATED INTO THE SERVER SYSTEM THAT WAS DONE BY TRACKOS AND HAS A MAINTENANCE PLAN.	s36(1)(a)(v)	AO	R 6 680.40	48390

MAY 2017

03/05/2017	BG SECURITY	AFTER HOURS SERVICE	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ALL ELECTRICAL PROBLEMS AFTER HOURS.THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	s36(1)(a)(v)	AO	R 3 990.00	48450
16/05/2017	AFROX	ARGON TEC,ACENT TEC AND OXYCYL	SOLE PROVIDER OF AFROX GAS	s36(1)(a)(v)	AO	R 3 184.98	48528

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
04/05/2017	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM:807215	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCRM VEHICLES.DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCRM AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING.DE KLERK'S BODY IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE,CSD.	s36(1)(a)(v)	AO	R 3 000.00	48456
04/05/2017	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM:808788	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCRM VEHICLES.DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCRM AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING.DE KLERK'S BODY IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER	s36(1)(a)(v)	AO	R 3 000.00	48457
04/05/2017	SONDLO AND KNOPP ADVERTISING	T09/2017-UPGRADE OR REFURBISHMENT OF CIVIL WORKS IN THE MAIN ELECTRICAL SUBSTATION	OTHER ADVERTSING AGENCIES ARE NOT INTERESTED IN ADVERTISING ANYMORE	s36(1)(a)(v)	AO	R 11 183.40	48461
09/05/2017	BG SECURITY	SERVICES 07/03-27/03/2017	THE SERVICES FOR CIT ARE REQUIRED FRO THE TIME BEING.THE MUNICIPALITY WAS USING SBV THROUGH FNB AS WE WERE USING DROP BOX WHICH IS ONLY COVERED IF WE	s36(1)(a)(v)	AO	R 2 074.80	48482
09/05/2017	DE KLERKS BODY REPAIRS	FIT CANOPY GLASS ,STRIP AND ASSEMBLE PARTS,PAINT REPAIRS	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCRM VEHICLES.DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCRM AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING.DE KLERK'S BODY IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER	s36(1)(a)(v)	AO	R 6 874.20	48483
10/05/2017	SONDLO AND KNOPP ADVERTISING	T10/2017 UPGRADING OF COOKHOUSE WASTE WATER TREATMENT WORKS	OTHER ADVERTSING AGENCIES ARE NOT INTERESTED IN QUOTING.	s36(1)(a)(v)	AAO	R 7 780.50	48492
29/05/2017	SMITH TABATA INCORPORATED	LEGAL FEES APRIL 2017 INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON	s36(1)(a)(v)	AO	R 16 131.00	48585

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
JUNE 2017							
09/06/2017	B G SECURITY	AFTERHOURS PHONE CALLS WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 2 859.12	48736
12/06/2017	ALL CUT POWER PRODUCTS	SUPPLY PARTS AND REPAIR AS PER QUOTATION	PARTS & LABOUR TO BE DONE AGENTS ONLY	s36(1)(a)(v)	AO	R 6 473.34	48714
02/06/2017	BELL EQUIPMENT SALES	400KM TRAVEL:EXTERNAL AND LABOUR 8HRS EXTERNAL	REPAIRS ON THE MUNICIPAL VEHICLE HAD BEEN AUTHORISED AT BELL EQUIPMENT SALES .THE TLB VEHICLE DUE FOR REPAIRS IS OF THE MAKE BELL AND SERIES BACKHOE LOADER AS REGISTERED.BELL EQUIPMENT IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE.BASIS EXCESS PAYABLE BY THE BCRM WITH REGARD TO THIS CLAIM:R15000.00 AMOUNT DUE BY THE INSURER WITH REGARD TO THIS CLAIM:R21832.31(AMOUNT PAID DIRECTLY TO THE BCRM INSTEAD OF THE REPAIRER BELL) BY REASON OF BELL EQUIPMENT 'S KEY CONTROL FRAMEWORK WHICH REQUIRE A CUSTOMER ORDER TO THE FULL AMOUNT OF THE REPAIRS.	s36(1)(a)(v)	AO	R 36 832.31	48738
13/06/2017	TIMES MEDIA EC	FWQ08/2017 SUPPLY AND DELIVERY OF BUILDING MATERIAL FOR POUND	THE OTHER ADVERTISING AGENCIES ARE NO LONGER INTERESTED IN QUOTING HENCE THE TWO QUOTATIONS	s36(1)(a)(v)	AO	R 6 337.26	48645

ANNEXURE B - EC102 BLUE CRANE ROUTE MUNICIPALITY CONTRACT REGISTER AS AT 30 JUNE 2016

Project Number	Appointment Date	Project Name	Contractor	Funding Source	Contract Amount	Amount Paid to Date	Amount Outstanding	VARIATION ORDERS	CONTRACT EXTENSION	Comments on Performance
T14/2013	19-Feb-14	UPGRADING OF THE WASTE WATER TREATMENT WORKS	LRC CIVILS	MIG	22 493 367.59	21 173 837.56	R 1 319 530.03	N/A	N/A	Contractors has finished construction work; have good quality work. They struggled with the quality of the Effluent on the OPS & MAINTANANCE part of the contract due to the Abbatoir releasing blood into the WWTW
T03/2014	19-Mar-14	PROFESSIONAL ENGINEERING SERVICES: UPGRADING OF SPORTFIELDS & PARKS	HATCH GOBA (PTY)LTD	MIG	1 235 874.00	2 064 264.95	R -828 390.95		N/A	Designs were delivered later than requested, in tender phase now. The contract is over its contract value.
T05/2014	19-Mar-14	SUPPLY AND DELIVERY OF INTERLOCKING PAVING BLOCKS	COEGA CONCRETE PRODUCTS /BOSUN BRICKS	MIG	2 297 111.40	1 925 941.51	R 371 169.89	N/A	N/A	Supplier is prompt with service
T10/2014	27-Aug-14	SHORT-TERM INSURANCE	AON SOUTH AFRICA	OWN FUNDS	752 921.20	756 788.48	R -3 867.28	No 1 - R2 241.93 No 2 - R411.35		Service provider handles the account fairly well but claims often take long to be processed
T 14/2014	11/02/2015	SUPPLY AND DELIVERY OF WATER PURIFICATION CHEMICALS	PROTEA CHEMICALS	OWN FUNDS	2 166 737.04	1 109 998.99	R 1 056 738.05	N/A	N/A	Supplier does part deliveries that are a problem - the end user and scm had a meeting with one of their representatives Who promised an improvement on the service. The contract is ending ????
T16/2014	19/12/2014	SUPPLY AND DELIVERY OF BLACK REFUSE BAGS	CONTINENTAL PROJECTS	OWN FUNDS	780 000.00	772 800.00	R 7 200.00	N/A	N/A	At the beginning there was as delay with delivery but as soon as the bottlenecks were resolved Service Provider prompt with service
T 17/2014	18/03/2015	PROVISION OF BANKING SERVICES	FIRST NATIONAL BANK	OWN FUNDS	5 252 247.60	371 656.76	R 4 880 590.84	N/A	N/A	Service Provider prompt with service
T 01/2015	07/05/2015	PROVISION OF EXTERNAL LOAN FINANCE	ABSA	OWN FUNDS / MIG	21 441 529.80	8 216 927.83	R 13 224 601.97	N/A	N/A	Supplier is prompt with service

Project Number	Appointment Date	Project Name	Contractor	Funding Source	Contract Amount	Amount Paid to Date	Amount Outstanding	VARIATION ORDERS	CONTRACT EXTENSION	Comments on Performance
T 01/2016	11-Mar-16	UPGRADING OF SPORTSFILEDS BHONGWENI, COOKHOUSE	LEZMIN 3254 CC t/a BRIMA SA	MIG	R 3 310 586.30	2 799 483.94	R 511 102.36	N/A	N/A	Contractor performed very well during construction but during maintanace of the grass they were not very cooperative. Sportsfields are finished now.
T 02/2016	11-Mar-16	UPGRADING OF SPORTSFIELDS KHANYISO, PEARSTON	LEZMIN 3254 CC t/a BRIMA SA	MIG	R 2 808 823.60	2 483 982.95	R 324 840.65	N/A	N/A	Contractor performed very well during construction but during maintanace of the grass they were not very cooperative. Sportsfields are finished now.
T 03/2016	03-Jun	PROVISION OF EXTERNAL LOAN FINANCE	STANDARD BANK OF SOUTH AFRICA	OWN	R 4 436 445.70	R 887 289.14	R 3 549 156.56	N/A	N/A	Service Provider promppt with service
T 04/2016	31-Oct	REPAIRS AND MAINTENANCE OG 11KV POWER FACTOR CORRECTION REPAIRS	MILNE ELECTRICAL	OWN	R 10 260.00	R 10 260.00	R -	N/A	N/A	Prompt with delivery
T 12/2016	02-Nov	SUPPLY AND DELIVERY OF COLDMIX	EVERY OCCASION EVENTS	OWN	R 339 720.00	R 339 720.00	R -	N/A	N/A	Prompt with delivery
T 13/2016	21-Nov	PROVISION OF ELECTRICAL CONSULTING ENGINEERING SERVICES	EYA BANTU PROFESSIONAL SERVICES	INEP	R 348 726.00	R 280 267.86		N/A	N/A	Consultant working very well
T 15/2016	15-Feb	UPGRADING OF COOKHOUSE WWTW - NEW FENCE	VETO CONTRACTORS	MIG	R 5 764 660.38	R 1 717 898.19	R 4 046 762.19	N/A	N/A	contrator had challenges in the beginning but progressed fairly well as soon as those bottlenecks were sorted and they finished on time.
T 16/2016	19-Jan	UPGRADING OF SOMERSET EAST WWTW, PHASE II - SLUDGE DRYING BEDS	RUDCOR	MIG	R 2 380 323.70	R 4 550 036.15	R -2 169 712.45	N/A	N/A	Contractor progressed well and is almost finished. Good quality work.
T 01/2017	22-Mar	SOMERSET EAST SUBSTATION, FRANCISVALE RING MAIN UNIT AND WESTVIEW MINISUB UPGRADE	PW ELECTRICAL	INEP	R 3 131 284.39	R 0.00	R 3 131 284.39	N/A	N/A	Contractor progressing well
T 02/2017	06-Mar-17	SUPPLY AND DELIVERY OF BUILDING MATERIAL FOR COOKHOUSE SPORTSFIELDS CHANGING ROOMS	BLUE CRANE HARDWARE	MIG	343 305.30	R 343 305.30	R -	N/A	N/A	Serviec Provider prompt with service
T 08/2017	12-Jun-17	COOKHOUSE, PEARSTON AND SOMERSET EAST STREETLIGHTS PROJECT	CORE FACTS 1152 (PTY) LTD	INEP	617 835.77		R 617 835.77	N/A	N/A	Still to establish site
T 09/2017	29-Jun-17	UPGRADE/REFURBISHMENT OF CIVIL WORKS IN THE MAIN ELECTRICAL SUBSTATION, SOMERSET EAST	MANTISHE/MABHOBHO JV	INEP	964 084.06		R 964 084.06	N/A	N/A	Site was handed over but still needed to sort some OHS File issues then establish site
							R -	N/A		

Project Number	Appointment Date	Project Name	Contractor	Funding Source	Contract Amount	Amount Paid to Date	Amount Outstanding	VARIATION ORDERS	CONTRACT EXTENSION	Comments on Performance
							R -			
							R -			
							R -			
							R -			
							R -			
FWQ 26/2016	12-Sep-16	SUPPLY AND INSTALLATION OF 2 X AIR CONDITIONERS FRONT AND BACK OF COUNCIL CHAMBERS	OKUHLEKODWA TRADING & PROJECTS	OWN	R33 890.00	R 0.00	#VALUE!	N/A	N/A	Order was never done due to funds
FWQ 28/2016	15-Sep-16	RECONDITIONING OF ADE 366 ENGINE	JOHN DIRKER ENGINEERING	OWN	R79 572.00	R 79 572.00	#VALUE!	N/A	N/A	Serviec Provider prompt with service
FWQ 30/2016		SUPPLY AND DELIVERY OF 7 X TRANSFORMERS	ARB WHOLESALERS	OWN	R 200 000.00	R 180 530.40	R 19 469.60	N/A	N/A	Service Provider had long lead time, then they forgot to place the order with their manufacturer which led to further delays.
FWQ 31/2016	27-Jan-17	REPAIRS AND MAINTENANCE OF A SEWERAGE TRUCK	ASD INTERNATIONAL	OWN	R 53 306.40		R 53 306.40	N/A	N/A	Service Provider work well and their work is good quality
FWQ 32/2016	01-Mar-17	SUPPLY AND DELIVERY OF CREOSOTE TRANSMISSION POLES	EBUSHA GENERAL TRADING	OWN	R 161 448.49	R 0.00	R 161 448.49	N/A	N/A	Supplier prompt in delivering
FWQ 01/2017	16-Mar-17	PROVISION OF CIVIL CONSULTING ENGINEERING SERVICES	BVI CONSULTING ENGINEERING	INEP	193 059.00	R 0.00	R 193 059.00	N/A	N/A	progressing well
FWQ 02/2017	01-Mar-17	SUPPLY AND DELIVERY OF MICROSOFT OFFICE 365 PRO PLUS LICENCES	EP WEB SECURITY SOLUTIONS	OWN	R 164 759.44	R 164 759.44	R -	N/A	N/A	service delivered on time
FWQ 03/207	Jun-17	DISCONNECTIO, RECONNECTION AND AUDIT OF MUNICIPAL ELECTRICAL SERVICES	SPECTRUM UTILITY MANAGEMEN	OWN			R -	N/A	N/A	Progressing very well - collection of the debt at about R700K after 3 weeks of starting.
					DI		#VALUE!			
							R -			
							R -			
							R -			
							R -			
							R -			
							R -			
							R -			
							R -			

ANNEXURE C - EC102 BLUE CRANE ROUTE MUNICIPALITY - MONITORING OF ADHERENCE TO PROCUREMENT PLANS AS AT 31 DECEMBER 2016

Project Name	Amount	Method of Procurement	Expected Date of Specification	Date Specification Approved	Date of Advert	Tender Close Date	Expected Date of Evaluation	Evaluation Date	Expected Date of Adjudication	Adjudication Date	Award Date	Adherence to Procurement Plan	Comment on Progress
MUNICIPAL MANAGER													
FINANCE													
REVENUE & DEBT MANAGEMENT													
SUPPLY CHAIN MANAGEMENT UNIT													
CORPORATE SERVICES													
TECHNICAL SERVICES													
ELECTRO													
Radio communication	R 300 000	Tender	24-Jun-16				19-Jul-16		19-Aug-16			No	
Transformers	R 200 000	Written quotations	24-Jun-16	12-Sep-16			19-Jul-16	19-Oct-16	19-Aug-16	07-Dec-16	19-Dec-16	No	
Extension ladders and safety belts	R 100 000	Written quotations	29-Jul-16				26-Aug-16		23-Sep-16			No	
Split Wellington Grove and Suurberg at main sub-station	R 2 300 000	Tender	29-Jun-16				29-Jul-16		28-Jul-16			No	
Install fence and spread crushed stone in transformer yard	R 200 000	Written quotations	27-Jan-17				24-Feb-17		24-Mar-17			No	
Replace ring main unit in Francisvale	R 650 000	Tender	24-Jun-16				29-Aug-16		30-Sep-16			No	
Install 1600 m of street light aerial bundle conductor and lights	R 254 000	Tender	30-Sep-16				28-Oct-16		25-Nov-16				
Installing street lights in the intersection of R 335 and Charles Street	R 254 000	Tender	30-Sep-16				28-Oct-16		25-Nov-16				
Replace Westview leaking mini-substation	R 400 000	Tender	27-Jan-17				24-Feb-16		24-Mar-16				
Strengthening of Pearston electricity supply	R 400 000	Tender	30-Sep-16				28-Oct-16		25-Nov-16				
Strengthening of Cookhouse electricity supply and street lights	R 550 000	Tender	30-Sep-16				28-Oct-16		25-Nov-16				
Replace vehicle LDV	R 300 000	Tender	02-Sep-16				25-Oct-16		10-Nov-16				
WATER													
Risk Abatement Plan and Borehole Management Plan	R 300 000	Tender	25-Jul-16				30-Aug-16		22-Sep-16			No	
By purchacing of Backwash pumps (standby)	R 300 000	Tender	25-Jul-16				30-Aug-16		22-Sep-16			No	
By purchacing of BA Set (respiratory equipment for chlorine room)	R 150 000	Tender	25-Jul-16				30-Aug-16		22-Sep-16			No	
SEWERAGE / SANITATION													
Refurbishing the Sanitation Truck	R 250 000	Tender	25-Jul-16	29-Aug-16			30-Aug-16		22-Sep-16	14-Sep-16			In progress
Backwash System	R 250 000	Formal Written Quotation	25-Jul-16				30-Aug-16		22-Sep-16			No	
BUILDINGS													
Two (2) roller doors	R 40 000	Formal written quotation	18/07/2016				08/08/2016		12/08/2016				
Refurbishment of two exsisting tea rooms at infrastructure S/E	R 50 000	Formal written quotation	18/07/2016				08/08/2016		12/08/2016				
Air conditioners	R 50 000	Formal written	18/07/2016				08/08/2016		12/08/2016				
Pearston Tea room	R 140 000	Formal written quotation	18/07/2016				08/08/2016		12/08/2016				
PUBLIC WORKS													
Paving infront of the workshop	R 230 000		N/A				N/A		N/A				

Project Name	Amount	Method of Procurement	Expected Date of Specification	Date Specification Approved	Date of Advert	Tender Close Date	Expected Date of Evaluation	Evaluation Date	Expected Date of Adjudication	Adjudication Date	Award Date	Adherence to Procurement Plan	Comment on Progress
MUNICIPAL INFRASTRUCTURE GRANT (MIG)													
Upgrading of Parks in Somerset East (Aeroville)	R 500 000		25-Jul-16				23-Aug-16		02-Sep-16				
Cookhouse WWTW	R 2 386 720	Tender	27-Jun-16	10-Oct-16			26-Jul-16	03-Nov-16	05-Aug-16				to be readvertised
Upgrading of Cookhouse Town Sportfield (Reduced Scope)	R 825 000	Tender	29-Jun-15	17-Sep-15	12-Jan-16	01-Feb-16	24-Jul-15	08-Feb-16	31-Jul-15	18-Feb-16	11-Mar-16		project in orogress
Upgrading of Khanyiso Sportfield (Reduced Scope)	R 700 000	Tender	29-Jun-15	17-Sep-15	12-Jan-16	01-Feb-16	24-Jul-15	08-Feb-16	31-Jul-15	18-Feb-16	11-Mar-16		project in orogress
Upgrading Gravel Roads	R 2 870 980	in-house	N/A				N/A		N/A				
Upgrading of Somerset East WWTW	R 7 000 000	Tender	N/A				05-Jul-16	11-Nov-16	11-Jul-16	19-Nov-16			project being finalised
													to be re-advertised-contract cancelle
COMMUNITY SERVICES													
REFUSE													
Replacement of faulty TLB by skidsteer	R 450 000	tender	01.Aug 2016				04-Oct-16		20-Oct-16			No	Budget contsraints
Replacement of faulty 5 ton tata truck	R 750 000	tender	01-Aug-16				04-Oct-16		20-Oct-16			No	Budget contsraints
COMMONAGE													
Construction of Pound	R 429 957	tender	11-Jul-16				10-Aug-16		22-Aug-16				In progress
DISASTER MANAGEMENT & FIRE													
Relocation of generator room	R 60 000	FWQ	08-Aug-16				11-Oct-16		20-Oct-16				Budget constraints
construction of satelite Fire station (cookhouse)	R 200 000	FWQ	08-Aug-16				11-Oct-16		20-Oct-16				Budget constraints
Construction of satelite Fire station (Pearston)	R 200 000	FWQ	08-Aug-16				11-Oct-16		20-Oct-16				Budget constraints
two way radios	R 250 000	tender	01-Aug-16				04-Oct-16		18-Oct-16				
office equipment and furiniture	R 150 000	FWQ	06-Feb-16				28-Feb-17		09-Mar-16				
TRAFFIC													
Office furniture	R 120 000	FWQ	18-Jul-16				19-Aug-16		08-Sep-16				
cctv monitoring equipment	R 100 000	FWQ	11-Jul-16				02-Aug-16		18 Agust 2016				
installation of hydraulic jacks and lockable canet	R 150 000	FWQ	21-Nov-16				13-Dec-16		18-Jan-17				
CEMETERY													
Erection of fence around the new aeroville	R 600 000	tender	12-Sep-16				01-Nov-16		18-Nov-16				
E+A3dge cutters	R 100 000	FWQ	11-Jul-16				26-Jul-16		04-Aug-16				
Tractor and blower mower	R 900 000	tender	04-Jul-16				09-Aug-16		02-Sep-16				Budget constraints

ANNEXURE D - EC102 BLUE CRANE ROUTE MUNICIPALITY PROCUREMENT TURNOVER RATE AS AT 31 DECEMBER 2016

Project Number	Project Name	Date Specification Approved	Date of Advert	Tender Closing Date	Evaluation Date	Adjudication Date	Award Date	Number of Days	Number of Weeks
T 12/2016	SUPPLY AND DELIVERY OF COLDMIX	18-Sep-16	22-Aug-16	04-Sep-16	13-Sep-16	22-Sep-16	02-Nov-16	-41.00	-5.86
T 13/2016	ELECTRICAL CONSULTING SERVICES	29-Aug-16	01-Sep-16	16-Sep-16	16-Sep-16	17-Oct-16	21-Nov-16	-35.00	-5.00
T 15/2016	UPGRADING OF COOKHOUSE WWTW - NEW FENCE	10/10/2016	14/10/2016	28/10/2016	03/11/2016	25-Jan-17	15-Feb-17	-21.00	-3.00
T 16/2016	UPGRADING OF SOMERSET EAST WWTW - SLUDGE DRYING BEDS	10-Oct-16	14-Oct-16	21-Oct-16		07-Dec-16	19-Jan-17	-43.00	-6.14
T 01/2017	SOMERSET EAST SUBSTATION, FRANCISVALE RING MAIN UNIT AND WESTVIEW MINISUB UPGRADE	30-Jan-17	01-Feb-17	17-Feb-17	21-Feb-17	28-Feb-17	22-Mar-17	-22.00	-3.14
T 02/2017	SUPPLY AND DELIVERY OF BUILDING MATERIAL FOR COOKHOUSE SPORTSFIELS CHANGING ROOM AND ABLUITION	30-Jan-17	01-Feb-17	17-Feb-17	20-Feb-17	28-Feb-17	06-Mar-17	-6.00	-0.86
T 03/2017	SOMERSET EAST, COOKHOUSE AND PEARSTON STREETLIGHTS PROJECT	21/02/2017	24/02/2017	17/03/2017	15-May-17	07-Apr-17		42 832.00	
T 04/2017	PROVISION OF DEBT COLLECTION SERVICES	03/04/2017	07/04/2017	28/04/2017	09-May-17			-	
T 05/2017	SUPPLY AND DELIVERY OF MULTI-FUNCTIONAL PHOTOCOPIER MACHINES	03/04/2017	07/04/2017	28/04/2017	15-May-17			-	
T 06/2017	SUPPLY AND DELIVERY OF REFUSE BAGS	03/04/2017	07/04/2017	28/04/2017	22-May-17			-	
T 07/2017	SUPPLY AND DELIVERY OF WATER PURIFICATION CHEMICALS	03/04/2017	07/04/2017	28/04/2017	10-May-17			-	
T 08/2017	COOKHOUSE, PEARSTON AND SOMERSET EAST STREETLIGHTS PROJECT	13-Apr-17	20-Apr-17	05-May-17	15-May-17	25-May-17	12-Jun-17	-18.00	-2.57
T 09/2017	UPGRADE/REFURBISHMENT OF CIVIL WORKS IN THE MAIN ELECTRICAL SUBSTATION, SOMERSET EAST	02-May-17	05-May-17	10-May-17	23-May-17	05-Jun-17	29-Jun-17	-24.00	-3.43
T 10/2017	UPGRADING OF COOKHOUSE WWTW	08/05/2017	11/05/2017	14/06/2017				-	

Project Number	Project Name	Date Specification Approved	Date of Advert	Tender Closing Date	Evaluation Date	Adjudication Date	Award Date	Number of Days	Number of Weeks
							TOTAL PERIOD	-140.00	-20.00
							AVERAGE PROCUREMENT TURNOVER RATE	-12.73	-1.82

ANNEXURE E – IRREGULAR EXPENDITURE FROM DEVIATIONS 01 JANUARY TO 31 MARCH 2017

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
TECHNICAL SERVICES							
03/05/2017	BG SECURITY	AFTER HOURS SERVICE	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ALL ELECTRICAL PROBLEMS AFTER HOURS.THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	s36(1)(a)(v)	AO	R 3 990.00	48450
09/06/2017	B G SECURITY	AFTERHOURS PHONE CALLS WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 2 859.12	48736
06/04/2017	SONDLO AND KNOPP ADVERTISING CC	FWQ03/2017,T04/2017 ,T06/2017,T07/	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s36(1)(a)(v)	AO	R 5 964.48	48307
18/04/2017	SONDLO AND KNOPP ADVERTISING CC	T08/2017-SOMERSET EAST,COOKHOUSE AND PEARSTON STREET LIGHT PROJECT	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s36(1)(a)(v)	AO	R 12 674.52	48365
04/05/2017	SONDLO AND KNOPP ADVERTISING	T09/2017-UPGRADE OR REFURBISHMENT OF CIVIL WORKS IN THE MAIN ELECTRICAL SUBSTATION	OTHER ADVERTSING AGENCIES ARE NOT INTERESTED IN ADVERTISING ANYMORE	s36(1)(a)(v)	AO	R 11 183.40	48461
09/05/2017	BG SECURITY	SERVICES 07/03-27/03/2017	THE SERVICES FOR CIT ARE REQUIRED FRO THE TIME BEING.THE MUNICIPALITY WAS USING SBV THROUGH FNB AS WE WERE USING DROP BOX WHICH IS ONLY COVERED IF WE HAVE AN ALARM SYSTEM THAT IS MONITORED BY A SAIDSA CALL CENTRE WHICH UNFORTUNATELY BG IS NOT CURRENTLY.IN THE INTERIM WE ARE BANKING THE MONEY DAILY HENCE THE NEED FOR CIT SERVICES WHICH BG IS THE ONLY SERVICE PROVIDER AROUND IN OUR AREA.	s36(1)(a)(v)	AO	R 2 074.80	48482

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
10/05/2017	SONDLO AND KNOPP ADVERTISING	T10/2017 UPGRADING OF COOKHOUSE WASTE WATER TREATMENT WORKS	OTHER ADVERTSING AGENCIES ARE NOT INTERESTED IN QUOTING.	s36(1)(a)(v)	AAO	R 7 780.50	48492
13/06/2017	TIMES MEDIA EC	FWQ08/2017 SUPPLY AND DELIVERY OF BUILDING MATERIAL FOR POUND	THE OTHER ADVERTISING AGENCIES ARE NO LONGER INTERESTED IN QUOTING HENCE THE TWO QUOTATIONS	s36(1)(a)(v)	AO	R 6 337.26	48645
07/04/2017	BLUE CRANE PRINTERS	PUBLICATION OF NOTICE 17/2017	WE ARE ADVERTISING IN THE LOCAL PAPER .HAARTLANDNUUS IS THE ONLY SERVICE PROVIDER IN AREA.	s36(1)(a)(v)	AO	R 2 346.12	48317
07/04/2017	BG SECURITY	ALARM SERVICES AT VARIOUS BUILDINGS	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCRM AREA.	s36(1)(a)(v)	AO	R 7 280.00	48312
25/04/2017	SONDLO AND KNOPP	ADVERT FOR VACANT POSITION	WE REQUESTED QUOTATIONS FROM SONDLO AND KNOPP,DAILY DISPATCH AND HERALD.DAILY DISPATCH DID NOT RESPOND.	s36(1)(a)(v)	AAO	R 6 846.64	48412
06/04/2017	TIMES MEDIA EC	NOTICE NO15/2017 DRAFT IDP 2017-2022	WE REQUESTED QUOTATION FROM THE SINCE IT CAN BE REACHED BY EVERYONE.AND IS THE CHEAPEST FROM SONDLO AND KNOPPADVERTISING AGENCY.	s36(1)(a)(v)	AO	R 5 591.70	48306

QUARTER 4 2016/2017 CONSOLIDATED IRREGULAR EXPENDITURE

LA	Creditor No	Creditor Name	Total	Store No	Stock No	Description/Comment	Cost Code	Financial Year
BCRM	9	SUBWAY SERVICE STATION	10899.3	**MAIN**		SUBWAY SERVICE STATION (FUEL)		**2017**
BCRM	9	SUBWAY SERVICE STATION	5799.93	**MAIN**		SUBWAY SERVICE STATION (FUEL)		**2017**
BCRM	9	SUBWAY SERVICE STATION	26750.82	**MAIN**		SUBWAY SERVICE STATION (FUEL)		**2017**
BCRM	9	SUBWAY SERVICE STATION	15384.35	**MAIN**		SUBWAY SERVICE STATION (FUEL)		**2017**
BCRM	9	SUBWAY SERVICE STATION	9928.45	MAIN		SUBWAY SERVICE STATION (FUEL)		2017
BCRM	9	SUBWAY SERVICE STATION	13817.29	MAIN		SUBWAY SERVICE STATION (FUEL)		2017
			82580.14					
BCRM	357	AON SOUTH AFRICA PTY LTD	2653.28	MAIN		INSURANCE - PPPFA CALCULATIONS		2017
			2653.28					
			0					
BCRM	1022	CBV FILLING STATION	7234.6	MAIN		CBV FILLING STATION (FUEL)		2017
BCRM	1022	CBV FILLING STATION	5950.1	MAIN		CBV FILLING STATION (FUEL)		2017
BCRM	1022	CBV FILLING STATION	3864	MAIN		CBV FILLING STATION (FUEL)		2017
			17048.7					
BCRM	1059	SB DELTA	184128.04	MAIN		SB DELTA MOTORS (FUEL)		2017
BCRM		SB DELTA	164873.48	MAIN		SB DELTA MOTORS (FUEL)		2017
BCRM	1059	SB DELTA	162643.86	MAIN		SB DELTA MOTORS (FUEL/DISCOUNT ON DIESEL)		2017
			511645.38					
BCRM	84	B G SECURITY	14523.79	MAIN		SECURITY SERVICES AND AFTERHOUR SERVICE		2017
BCRM	84	B G SECURITY	243892.79	MAIN		SECURITY SERVICES AND AFTERHOUR SERVICE		2017
			258416.58					
BCRM	3665	LEZMIN 3254 T/A BRIMA SA	**84359.18**	MAIN		UPGRADING OF SPORTSFIELDS		2017
			84359.18					
BCRM	1306	AURECON SA	**64577**	MAIN		UPGRADING OF SOMERSET EAST WWTW		
BCRM	1306	AURECON SA	**132590.8**	MAIN		UPGRADING OF SOMERSET EAST WWTW		
BCRM	1306	AURECON SA	**131922.77**	MAIN		UPGRADING OF SOMERSET EAST WWTW		
			329090.57					
BCRM	1067	TELKOM SA	**58820.35**			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	**140878.74**			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	**9455.51**			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	**58820.35**			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	**155231.5**			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	**58820.35**			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	**154629.1**			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	**59846.35**			PABX & VPN AND TELEPHONE LINES		

LA	Creditor No	Creditor Name	Total	Store No	Stock No	Description/Comment	Cost Code	Financial Year
BCRM	1067	TELKOM SA	157808.12			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	58820.35			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	151939.99			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	58820.35			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	153275.9			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	58820.35			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	160759.98			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	58820.35			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	140671.48			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	58820.35			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	153656.95			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	58820.35			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	154208.8			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	58820.35			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	111889.69			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	58820.35			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	55254.24			PABX & VPN AND TELEPHONE LINES		
BCRM	1067	TELKOM SA	126772.61			PABX & VPN AND TELEPHONE LINES		
			2533302.81					
BCRM		SONDLO AND KNOPP ADVERTISI	19047.72			ADVERTISING SERVICES		
BCRM		SONDLO AND KNOPP ADVERTISI	6887.88			ADVERTISING SERVICES		
BCRM		SONDLO AND KNOPP ADVERTISI	8125.92			ADVERTISING SERVICES		
BCRM		SONDLO AND KNOPP ADVERTISI	38416.28			ADVERTISING SERVICES		
BCRM		SONDLO AND KNOPP ADVERTISI	7780.5			ADVERTISING SERVICES		
BCRM		SONDLO AND KNOPP ADVERTISI	37424.64			ADVERTISING SERVICES		
BCRM		SONDLO AND KNOPP ADVERTISI	5868.72			ADVERTISING SERVICES		
			123551.66					
BCRM		TIMES MEDIA EC	21413			ADVERTISING SERVICES		
BCRM		TIMES MEDIA EC	2838.6			ADVERTISING SERVICES		
BCRM		TIMES MEDIA EC	7250.4			ADVERTISING SERVICES		
BCRM		TIMES MEDIA EC	59038.32			ADVERTISING SERVICES		
BCRM		TIMES MEDIA EC	9692.28			ADVERTISING SERVICES		
BCRM		TIMES MEDIA EC	3727.8			ADVERTISING SERVICES		
BCRM		TIMES MEDIA EC	92971.56			ADVERTISING SERVICES		
			196931.96					
BCRM	2537	WORLEY PARSONS	125427.98			COOKHOUSE WWTW		
BCRM	2537	WORLEY PARSONS	102979.13			COOKHOUSE WWTW		

LA	Creditor No	Creditor Name	Total	Store No	Stock No	Description/Comment	Cost Code	Financial Year
BCRM	2537	WORLEY PARSONS	**49612.31**			COOKHOUSE WWTW		
			278019.42					
		TOTAL	**4417599.68**					

PERFORMANCE PLAN: DIRECTOR:MUNICIPAL MANAGER 2016/17

Priority area	Objective	Strategy	KPI No	Key Performance Indicator (Project)	Baseline	Means of verification	Weight-ing	September Target	Actual performance	Reason for variance and corrective measure	December Target	Actual performance	Reason for variance and corrective measure	March Target	Actual performance	Reason for variance and corrective measure	June Target
	KPA 3 : LOCAL ECONOMIC DEVELOPMENT																
Local Economic Developmnet	Promote Local economic development and job creation by 2017	By reviewing the LED Strategy	78	Reviewed LED Strategy	2008 LED Strategy	LED Strategy	1.0%	n/a	n/a	n/a	Workshop on Local Economic Development	Target not met	no LED manager/Champion because of challenges from labour . To engage Labour and revisit the recruitment of LED Manager by end April.	n/a	n/a	n/a	n/a
		By establishing a functional LED Unit	79	LED Unit established		Report s of LED Committee Meetings	1.0%	Establish LED Committee and Develop TOR's for the Committee	Target met ,LED committee established and terms of refference established .	Target not met	Convene LED Committee meeting and submit reports to Council	Target not met	no LED manager/Champion because of challenges from labour . To engage Labour and revisit the recruitment of LED Manager by end April.	n/a	n/a	n/a	n/a
		By establishing Blue Crane Route Business Forums	80	Established Blue Crane Route Business Forums		Blue Crane Route Business Forums	1.0%	n/a	n/a	n/a	Facilitate a session with organised business structures to establish Blue Crane Route Business Forums	Target not met	no LED manager/Champion because of challenges from labour . To engage Labour and revisit the recruitment of LED Manager by end April.	n/a	n/a	n/a	n/a
SMME and Co-operatives development Services	To facilitate the mainstreaming of Small, Medium and Micro Enterprises (SMMEs) businesses into the formal economy in BCRM by 2017 and beyond	By providing meaningful business development support to SMME's	81	Number of SMMEs supported	6	4 SMMEs supported	1.0%	Support 1 SMME	Target not met	There was no implementation due to delays in the appointmnet of the LED Manager . The position could not be filled due to objections by the Labor unions (SAMWU).The position will be re-advertised in the next quarter .	Support 1 SMME	Target met , 2 SMME were supported	n/a	Support 1 SMME	Target met -SMME's supported by the municipality	n/a	Support 1 SMME
			82	Number of business support initiatives implemented	4	2 businesses Supported	1.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	KPA 5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION																
Internal Controls	To ensure effective Audit function and an Improved compliance and clean administration by 2017	By monitoring implementation of audit action plan (internal and external audit recommendations)	83	No of report on progress against Audit outcome improvement	4 progress report and the 2014/15 FY	4 quarterly reports on AG audit action plan	1.5%	Quarter 4 progress report on 2014/15 Audit Action Plan submitted to AC	Target met ,Quarter 4 progress report on 2014/15 Audit Action Plan submitted to AC	n/a	Status quo on 2014/15 action submitted to plan Audit Committee	Target met -Status quo on 2014/15 action submitted to plan Audit Committee	n/a	2015/16 Audit Action Plan and First quarterly progress report against 2015/16 action Plan submitted to AC	Target met -Audit Action Plan and First quarterly progress report against 2015/16 action Plan submitted to AC	n/a	quarterly progress re against 2015/16 actic submitted to AC
		By convening Quarterly Audit Committee meetings	84	No of audit committee meetings held	4 AC meeting held 2014/15	Minutes and attendance register	1.0%	1 audit committee meeting held	Target met ,meeting was held	n/a	1 audit committee meeting held	Target met -Audit committee meeting held	n/a	1 audit committee meeting held	Target met -Audit Committee meeting held	n/a	1 audit committee me held
			85	No of report on the implementation of operational risk improvement plans	0	4 reports on operational risk improvement plans	1.0%	Operational risk register developed and follow up	Target met ,Operational risk register developed and follow up was done	n/a	one follow up report	Target met -follow up report was compiled and submitted to A.C	n/a	one follow up report	Target met -Follow up on risk improvement plan was done and the report complited	n/a	one follow up report
Fraud and Anti-Corruption	To ensure effective Implementation of the Fraud and Anti-corruption Policy by 2017	By reviewing and institutionalization of the Fraud and Anti-corruption policy	86	Reviewed Fraud and Anti-corruption policy and prevention plan submitted to council for approval	2014/15 Fraud and Anti-corruption policy and Prevention Plan	2015/16 Reviewed Fraud and Anti-corruption policy a and Fraud Prevention Plan	1.0%	n/a	n/a	n/a	n/a	n/a	n/a	Review Fraud and Anti-corruption policy and Plan have draft 30 March 2016	Target met -Fraud and Anti corruption policy and Plan reviewed	n/a	Conduct workshop ar submit to Council for approval 30 June 20
			87	Number of workshops on fraud and anti-corruption held to educate employees	0	Minutes and attendance register	1.0%	n/a	n/a	n/a	Conduct 1 awareness workshop on fraud and anti corruption	Target met - awareness workshop on fraud and anti corruption was conducted	n/a	n/a	n/a	n/a	Conduct 1 awarenes workshop on fraud ar corruption

		By implementing the public participation strategy	92	Number of Public Participation Imbizos/workshops convened per quarter	0	Minutes and attendance register	1.0%	Conduct 1 public participation session.	Target met , 1 public participation session conducted	n/a	Conduct 1 public participation session	Target met -public participation session	n/a	Conduct 1 public participation session.	Target met,public participation meeting held	n/a	Conduct 1 public participation sessio
		By Strengthening Inter-governmental Relations	93	Number of IGR meetings convened	IGR Structure	Minutes and attendance register	1.0%	Convene 1 IGR meeting	Target me ,IGR convened	n/a	Convene 1 IGR meeting	Target met - IGR Convened	n/a	Convene 1 IGR meeting	Target met ,IGR meeting held	n/a	Convene 1 IGR mee
ICT Governance	To ensure a reliable, efficient and effective ICT governance by 2017 and beyond	By implementing municipal corporate governance ICT Policy through reviewing and developing new ICT policies	94	Number of reviewed and developed ICT Policies	Municipal corporate governance ICT Policy	6 reviewed policies and 3 developed policies and Council resolution	1.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Review 6 and develo policies and submit t Council
		By developing and implementing IT Security measures	95	No of reports submitted to ICT Steering Committee on the implementation of IT security measures	0	4 reports submitted to ICT Steering	1.0%	Submit 1 report to ICT Steering Committee on the implementation of IT security measures	Target met,1 report submitted to ICT Steering Committee on the implementation of IT security measures	n/a	Submit 1 report to ICT Steering Committee on the implementation of IT security measures	Target met -Report submitted to the ICT SteerCom	n/a	Submit 1 report to ICT Steering Committee on the implementation of IT security measures	Target met -report submitted to ICT steering committee	n/a	Submit 1 report to I Steering Committee implementation of IT measures
		By conducting awareness programmes on ICT Policies	96	No of awareness programmes conducted on ICT Polices	0	Minutes and attendance register	1.0%	Conduct 1 awareness programmes on ICT Polices	Target met ,1 awareness programmes on ICT Polices conducted	n/a	Conduct 1 awareness programmes on ICT Polices	Target met awareness programmes on ICT Polices conducted	n/a	Conduct 1 awareness programmes on ICT Policies	Target met -1 awareness programmes on ICT Policies conducted	n/a	Conduct 1 awarenes programmes on ICT
		By ensuring functionality of ICT Steering Committee	97	No of ICT steering committee meetings held quarterly	ICT Steering Committee approved TOR's	Minutes and attendance register	1.0%	1 ICT Steering Committee meeting	Target met,ICT Steering Committee held	n/a	1 ICT Steering Committee meeting	Target met -1 ICT Steering Committee meetin	n/a	1 ICT Steering Committee meeting	Target met -1 ICT Steering Committee meeting held	n/a	1 ICT Steering Comr meeting
IT Communication and Connectivity	To ensure a reliable, efficient and effective ICT systems for communication by 2017 and beyond	By upgrading current servers, network connectivity and telephone system	98	Progress on upgraded IT infrastructure purchased		Reports Upgraded telephone system and Network connectivity phase 2	15.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Communication Management	To ensure well-co-ordinated communication within and across the municipality by 2017	By maintaining an effective communication system (internal and external)	99	Developed internal and external newsletter	0	4 internal and external newsletter	1.0%	Develop internal and external newsletter	Target met ,internal and external newsletter developed	n/a	Develop internal and external newsletter	Target met ,internal and external newsletter developed	n/a	Develop internal and external newsletter	Target met -internal and external newsletter developed	n/a	Develop internal and external newsletter
			100	Developed intranet	0	Reports on the development of intranet	1.0%	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a
			101	Developed branding manual	0	Developed branding manual	1.5%	Develop the branding manual	Target not met	Consultations with all the relevant stakeholders has not be done. Manual will be developed in the 3rd Quarter.	Present the brading manual to Management and Council	Target not met -No funding	n/a	n/a	n/a	n/a	n/a
		By reviewing Communication Strategy	102	Reviewed Communication Strategy	Communication strategy	Reviewed Communication Strategy	1.0%	Review communication strategy	Target not met ,strategy not reviewed .	The strategy could not be reviewed due to the elections of the ward committes that is still to be conducted, the closing date for nominations is 28 November.The strategy will be developed in the 3rd quarter	Present the communication strategy to management and Council	Target met - communication strategy presented to Management and Council	n/a	Incorporate inputs from management and councillors. And submit to council for approval	Target met -Policy submited to council for approval	n/a	Actioning the plans i the communication n
Customer Care Management	To ensure a functional and effective Customer Care Management by 2017 and beyond	By developing customer care management policy; Complaints Management Register; and Action plan	103	Developed Customer Care Management Policy	0	Developed Customer Care Management Policy	1.0%	Conduct benchmarking within SBDM	Target met ,benchmarking done	n/a	Develop Draft policy on Customer Care Management and present to municipal stakeholders for inputs	Target met	n/a	Submit Draft policy to Council Standing Committee for inputs	Target met -Target met policy submitted to standing committee and council for approval	n/a	Submit Final Draft of policy to Council for approval.
			104	Developed Complaints Management Register	0	Developed Complaints Management Register	1.0%	Conduct benchmarking within SBDM	Target met ,benchmarking done	n/a	Develop draft Complaints Management Register	Target met - Complaints Management Register	n/a	Conduct workshop on the draft Complaints Management Register	Target met -Workshop conducted	n/a	Submit final draft to (meeting for approval
			105	Number of Reports on Complaints addressed	0	4 reports on Complaints addressed	1.0%	Submit 1 report to Council	Target not met	n/a	Submit 1 report to Council	Target met -Report submitted to Council	n/a	Submit 1 report to Council	Target met -Report submitted to Council	n/a	Submit 1 report to C
Social Cohesion and Moral Regeneration	To ensure mainstreaming of Special Programmes in the institution by 2017	By developing and implementing a SPU strategy	106	Developed and implemented SPU Strategy	0	Developed SPU Strategy	1.0%	Conduct benchmarking within SBDM	Target met ,benchmarking done	n/a	Develop Draft SPU Strategy	Target not met	SPU Strategy not developed due to lack of capacity ,the stregegy will be developed in the next quarter	n/a	n/a	n/a	1.Conduct workshop draft SPU Strategy. Submit Final Draft of Strategy to Council f approval.

PERFORMANCE PLAN: DIRECTOR:CORPORATE SERVICES 2016/17

Priority Area	Objective	Strategy	KPI No	Key Performance Indicator (Project)	Baseline	Means of verification	Weight-ing	September Target	Actual performance	Reason for variance and corrective measure	December Target	Actual performance	Reason for variance and corrective measure	March Tar
KEY PERFORMANCE AREAS (KPAs)														
KPA 1. INSTITUTIONAL MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT														
Council oversight	**To strengthen the capacity of council to exercise its oversight responsibilities by 2017**	By capacitating Council Members on oversight responsibility	1	No of capacity building initiatives conducted on oversight responsibility	0	2 reports of capacity building on oversight responsibility	4%	Conduct one induction program for newly elected councillors	Target met ,Induction was conducted 15 August 2016	n/a	Liaise with SALGA, COGTA & LGSETA on the implementation of the program	Target not met	Reason for variance and corrective measure not provided	n/a
Human Resources Management	**To improve levels of staff discipline and compliance by 2017**	By promoting a culture of sound labour relations	2	No of session per quarter conducted to promote organizational code of conduct	0	Report of the sessions to promote organizational code of conduct	3%	Conduct two departmental sessions to promote organisational code of conduct and code of ethics for Corporate Services and MM's Office	Target met ,two departmental code of conduct sessions were conducted	n/a	Conduct two departmental sessions to promote organisational code of conduct and code of ethics for Technical services Department and Finance Departments	Target not met .One out of two sessions conducted and the outstanding session will be conducted on the 25th January 2017	Memos dated 16 November were written to Directors Finance and Technical Services. Director Technical Service could not provide us with the date. One out of two sessions conducted and the outstanding session will be conducted on the 25th January 2017	Conduct one departmenta session to promote organisation code of cond and code of ethics for Community Services
			3	No of capacity building initiatives for managers, supervisors and union representatives on disciplinary procedures conducted	1 session	Evidence of Capacity building initiative for managers, supervisors and union representatives on disciplinary procedures	5%	n/a	n/a	n/a	Embark on SCM processes	Target not met	Finance Department advised us to put the project on hold due to the municipality's financial position. The project will be commenced as soon as funding is confirmed	n/a
		By Implementing Integrated Employee Wellness Program	4	No of Integrated Employee Wellness Program Implemented	1 employee wellness program implemented	Evidence on Implementation of Financial Wellness Program	5%	Implement one Financial Wellness Program	Target met ,Imployee wellness programme conducted	n/a	n/a	n/a	n/a	n/a
Human Resources Development	**To ensure creation and maintenance of a harmonious and conducive work environment by 2017**	By training staff as per the requirements of the WSP	5	No of employees trained per Workplace Skills Plan	50 employees trained	Evidence that 60 employees were trained as per WSP	5%	Finalise WSP and adopt	Target not met -The WSP was developed, it served in the training committee confirmation from LGSETA was received, however it was not submitted to council for adoption. The item will be introduced in the next council meeting scheduled for the 28th November 2016	The WSP was developed, it served in the training committee confirmation from LGSETA was received, however it was not submitted to council for adoption. The item will be introduced in the next council meeting scheduled for the 28th November 2016	Source service providers through the SCM process	Target not met	LGSETA to commence with training allocation in March 2017	Train 30 employees
		By Filling all vacant and budgeted posts per Employment Equity Plan	6	No of vacant budgeted posts filled	10	Evidence that 11 budgeted post were filled	5%	Conduct prioritisation of posts to be filled as approved through the organogram review process	Target not met -Nonetheless the Department requested departments in a memo dated 30th September to submit a list of priority posts in order to conduct the prioritisation process for the time when the moratorium is lifted.	A report served in the council meeting of the 8th September 2016 placing moratorium in filling of new posts. Nonetheless the Department requested departments in a memo dated 30th September to submit a list of priority posts in order to conduct the prioritisation process for the time when the moratorium	Fill 4 vacancies	Target met -9 vacancies filled out of 4	n/a	Fill 4 vacanci

PERFORMANCE PLAN: DIRECTOR:TECHNICAL SERVICES 2016/17

Priority Area	Objective	Strategy	KPI No	Key Performance Indicator (Project)	Baseline	Means of verification	Weight-ing	September Target	Actual performance	Reason for variance and corrective measure	December Target	Actual performance	Reason for variance and corrective measure	March Target	Actual performance	Reason for variance and corrective measure	June Target
KEY PERFORMANCE AREAS (KPAs)																	
KPA 2. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																	
Water and Sanitation	**To ensure efficient, economical and quality provision of water and sewer Services by 2017 and beyond**	By upgrading waste water treatment works in Somerset East , Cookhouse and Pearston	33	Number of business plans developed and submitted to source funding for Somerset East WWTW Phase 3	1.Consultant appointed	Developed business plan and proof of submission	3%	Feasibility study	Target met. The progress report has been prepared.	n/a	Develop 1 business plan and submit to DWS for funding	Target met. the business plan was developed and submitted to DWS and the project was registered in the MIG-MIS system for lobbying of funds.	n/a	n/a	n/a	n/a	n/a
			34	Somerset East WWTW (phase 2) Upgraded	Phase 1 completed	Pictures of upgraded Somerset East	3%	Commencement of construction of sludge dry beds	Target not met. The Contractor was appointed but they surrendered the project when they were about to commence.	The contract will be re-advertised and appointment of the contractor will be implemented in the 2nd Quarter.	Continuation of construction of drying beds	Target not met.	The appointed contractor surrendered the contract and the project had to be retendered for another service provider. The project was retendered in October 2016. The tenders have been evaluated and adjudicated. The newappointment of a service provider will be done in January 2017.	1. Appointment of a servicer provider 2. Commenceme nt of construction of sludge drying beds	Target Met. The service provider has been appointed and the site has been handed over for the commencement of the project to the contractor.	n/a	n/a
			35	Sewer Plant in Cookhouse upgraded	Consultant appointed	Progress Report and Close Out Report	3%	Advertising for a contractor and appointment thereof .	Target not met. The contract was advertised and tenders were evaluated but there was no successful tenderer due to an error made in the document on the functionalityon experience that was incorrect as per CIDB guidelines & requirement.	The document will be corrected as per the required functionality based on the amount of experience on work done and the tender will be re-advertised for further implementation on appointment of the contractor in Q2.	Commencement of the fencing	Target not met.	The contract was advertised and tenders were evaluated but there was no successful tenderer due to an error made on the document.The project was readvertised in October 2016 and is anticipated to be finalised by end of February in Q3 due to financial constraints where the project will be completed in Q1 of 2017/18 FY.	Commenceme nt of construction of the project.	Target met. The service provider has been appointed and the site has been handed over for the commencement of the project to the contractor. The setting out of the WWTW new fence has been undertaken by the surveyor.	n/a	n/a
			36	Developed and submitted business plan to DWS to source funding for the feasibility study for upgrading waste water treatment works in Pearston	Visual assessment report	Developed business plan and proof of submission	3%	Feasibility study	Target met. Feasibility study has been prepared.	n/a	Development of a business plan and submit to DWS for funding	Target not met.	A business plan has been prepared and completed but due to the delay on the technical side of information for the finalisation of the plan it was completed towards the end of Q2 and will be submitted in Q3 (February) to DWS.	na	na	na	na
Job Creation	**To strive for reduction on household poverty by labour intensive construction methods in 2017 and beyond**	By creating jobs	37	Number of jobs created through EPWP	161 work opportunities	Progress Report of the jobs created	3%	50	Target met. 77 Jobs were created.The jobs were created as the municipality received the additional funding which led into more job creation for Q1.	n/a	40 work opportunities	Target met -66 work opportunities has been created	n/a	n/a	n/a	n/a	8 work opportunities
		By strengthening functionality of EPWP steering committee	38	Number of EPWP Steercom sessions held monthly	Terms of Reference	Minutes and attendance registers	2%	1 session	Target met. Session took place.	n/a	1 Session	Target met-Session was held	n/a	1 Session	Target met-EPWP Steering Committee session was held.	n/a	1 Session
Electricity supply	**To ensure uninterrupted electricity supply by 2017**	By sourcing funds to upgrade main	39	Number of business plans to be developed to source funds	Current Outages	Developed business plan and proof of	1%	Development of a business plan to source funds from	Target met. The business plan has been prepared	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

		Refurbishment of main substation switch gear	43	Switch gear at main substation purchased	None	1 transformer and 1 switch gear	2%	1. Specs for market related costs and finalisation of SCM processes 2. Advertising for a supplier.	Target met. Advertisement for the supplier has been done.	n/a	Appointment of a supplier and delivery of transformer and switch gear.	Target not met.	The project is behind schedule because of the late appointment of a service provider therefore transformers could not be delivered	Appointment of a supplier and delivery of switch gear.	Target met. The appointment letter was issued to the service provider.	n/a	Installation of switch gear
		By installing a fence and spread the crash stone in the transformer yard	44	Fence and spread crush stone in the transformer yard installed	None	Progress report on the implementation of the project	2%	n/a	n/a	n/a	n/a	n/a	n/a	1.Specification for market related costs and finalisation of SCM processes 2. Advertising for a supplier	Target met. The project was advertised for a market related PSP.	n/a	Appointment of Service Provide
		By replacing the ring main in Francisvale	45	Ring main in Francisvale replaced	None	Progress report on the implementation of the project	2%	1. Specs for market related costs and finalisation of SCM processes 2. Advertising Appointment of a supplier and delivery of Ring Main Unit.	Target met. Advertisement for the supplier has been done.	n/a	Appointment of a supplier and delivery of Ring Main Unit	Target not met.	The project is behind schedule because of the late appointment of a service provider therefore transformers could not be delivered	Appointment of a supplier and delivery of Ring Main Unit	Target met. The service provider was appointed for the implementation of the project.	n/a	Installation of Ring Main Unit
		By installing 1600m of streetlight aerial bundle conductor and lights	46	1600 meters of streetlight aerial bundle conductor and lights at Nqantosi installed	None	Progress report on the implementation of the project	2%	1. Specs for market related costs and finalisation of SCM processes 2. Advertising for a supplier.	Target met. Advertisement for the supplier has been done.	n/a	Appointment of a supplier and delivery of cable and lights.	Target not met.	The project is behind schedule because of the late appointment of a service provider therefore transformers could not be delivered	1.Advertising for a supplier 2.Appointment of a supply	Target met. The project has been advertised for implementation.	n/a	Installation of aerial bundle conductor and lights
		By installing the streetlights in the intersection of R335 and Charles street	47	Streetlights in the intersection of R335 and Charles street installed	None	Progress report on the implementation of the project	2%	1. Specs for market related costs and finalisation of SCM processes 2. Advertising for a supplier.	Target met. Advertisement for the supplier has been done.		Appointment of a supplier and delivery of poles, cable and lights.	Target not met.	The project is behind schedule because of the late appointment of a service provider therefore transformers could not be delivered	1.Advertising for a supplier 2.Appointment of a supply	Target met. The service provider has been appointed for the implementation of the project.	n/a	Installation of poles, cable anc lights
		By replacing leaking mini-substation in Westview	48	Westview leaking mini-substation in Westview replaced	None	Progress report on the implementation of the project	2%	1. Specs for market related costs and finalisation of SCM processes 2. Advertising for a supplier.	Target met. Advertisement for the supplier has been done.		Appointment of a supplier and delivery mini-sub	Target not met.	The project is behind schedule because of the late appointment of a service provider therefore transformers could not be delivered	Appointment of a supplier	Target met. The service provider has been appointed for the implementation of the project.	n/a	Delivery and Installation of mini-substation
		By improving street lighting in all areas of BCRM	49	Street lights (Cookhouse and Pearston) purchased and installed	None	Progress report on the implementation of the project	2%	n/a	n/a	n/a	Advertise and appointment of a supplier	Target not met.	The project is behind schedule because of the late appointment of a service provider therefore transformers could not be delivered	Advertise and appointment of a supplier	Target met . The project has been advertised for implementation.	n/a	Installation of a street lights in Pearston and Cookhouse
		By purchasing a vehicle	50	LDV Vehicle purchased	Damaged vehicle	Purchased Vehicle LDV	1%	Advertising for a supplier.	Target not met. No budget for Q1.	The advert of the supplier will be implemented in Q3 & Q4.	Appointment of a supplier	Target not met.	Insufficient budget to proceed with the project.	n/a	n/a	n/a	n/a
Social facilities	**To ensure that communities have access to well established social amenities**	By upgrading Sports facilities and parks	51	Somerset East park upgraded	1.Consultant appointed 2. Preliminary designs completed	Progress report on the implementation of the project	3%	Advertising for a contractor and appointment thereof.	Target met. The Department has decided to implement this project	This project will be implemented internally by Technical Services	Construction of a park	Target met. The park is under construction.	n/a	Continuation of construction of a park	Target met - the park construction is is in process.	n/a	1. Identifying an attending to sna list 2.

Water Resource Management	**To ensure improved drinking water quality and sustainable water resources by 2017 and beyond.**	By developing risk abatement plan	54	Risk abatement plan developed and submitted to Council for approval	None	Risk abatement plan and Council Resolution	3%	Site visit	Target met. The progress report has been prepared.	n/a	Develop a draft risk abatement plan	Target met. The draft document has been developed	n/a	Develop a draft risk abatement plan	Target met - the draft risk abatement plan has been developed and approved by council on the 30 March 2017.	n/a	n/a
		By developing a borehole management plan for Pearston	55	Borehole management plan Developed for Pearston and submitted to council for approval	Yield test report	Borehole management plan and Council Resolution	2%	Site visit	Target met. The progress report has been prepared.	n/a	Develop a draft borehole manament plan	Target met. The draft document has been developed	n/a	Develop a draft borehole manament plan	Target met - the borehole management plan has been developed and approved by council.	n/a	n/a
		By purchasing of backwash pumps (standby)	56	2 backwash standby pumps purchased	None	Quarterly Reports	1%	Invitation for suppliers to submit quotations	Target met. Backwash pumps were bought for Somerset East and Cookhouse	n/a	Appointment of a supplier	Target met. Supplier was appointed the target was completed in the 1st quarter	n/a	n/a	n/a	n/a	n/a
		By purchasing of BA set	57	3 BA sets purchased	None	Reports	1%	Invitation for suppliers to submit quotations	Target not met. No budget available for Q1.	Purchasing of the BA Set will be done in Q3	Appointment of a supplier	Target not met.	Insufficient budget to proceed with the project.	n/a	n/a	n/a	n/a
		By refurbishing the backwash system	58	Bestershoek backwash systems refurbished	Backwash water lagoon	Reports	2%	Building of the water sump at Bestershoek	Target not met. The sump has not been built yet the material purchased for the sump was used to finalise the urgent project of building the councillors house in cookhouse and the cashiers office.	The project will be implemented in Q3 as the material will be procured and finalised in Q2.	Invitation for suppliers to submit quotations for pumps	Target met. Quotations have been received.	n/a	n/a	n/a	n/a	n/a
		By upgrading of Orange Fish Water Treatment Works	59	Business plans to source funding for Orange Fish Water Treatment Works developed	None	Business plan	2%	Advertising for a consultant and appointment thereof.	Target met. The business plan was prepared and submitted to DWS for funding.		Feasibility study	Target met. A business plan was developed and submitted to DWS.	n/a	Develop a business plan and submit to ACIP for funidng	Target met. The business plan was prepared and submitted to DWS for funding.	n/a	n/a
		By refurbishing the Sanitation Truck	60	Sanitation Truck Refurbished	Existing Truck	Reports	2%	Advertise to invite Suppliers to source formal written Quotes	Target met. The quotations have been sourced and the supplier was given an order.		Purchasing and Installation of engine and steel tanker	Target not met.	Engine has been installed. A supplier for the steel tanker will be appointed in February.	n/a	n/a	n/a	n/a
		Upgrading of bulk water supply from Bestershoek to town	61	Business plan to source funding for bulk water supply in Beestershoek to town developed	None	Business plan	2%	Advertising for a consultant and appointment thereof.	Target met. The business plan was prepared and submitted to DWS for funding.		Feasibility study	Target met. A business plan was developed and submitted to DWS.	n/a	Develop a business plan and submit to ACIP for funidng	Target met. The business plan was prepared and submitted to DWS for funding.	n/a	n/a
Roads and Stormwater	**To ensure efficient, economical and quality and sustainable roads and storm water infrastructure by 2017 and beyond**	Upgrading of gravel roads in BCRM	62	0.65 km of gravel roads upgraded	35.8 km	Progress reports	3%	Paving of 50m of the road	Target not met.The project could not be implemented as the alternative implementation was proposed by CDA to assist BCRM through R335 project	The project will be implemented in Q3 as the meeting to finalise what is required is intended to take place in Q2.	Paving of 50m of the road	Target not met.	Upgrading of gravel roads depends on the construction of the road to cemetry.	n/a	n/a	n/a	n/a
		By constructing 0.5km road passing Aeroville cemetery	63	0.5km road passing Aeroville cemetery Constructed	0	Progress reports	2%	Complete designs and inception phase	Target not met.The project could not be implemented as the alternative implementation was proposed by CDA to assist BCRM through R335 project	The project will be implemented in Q3 as the meeting to finalise what is required is intended to take place in Q2.	Construction of 0.5 km road	Target not met.	A session will be held in January 2017 to decide on the implementation of the project.	n/a	n/a	n/a	n/a
		By upgrading the gravel parking area infront of the mechanical workshop	64	300m² of parking working area in front of the workhsop upgraded	None	Progress reports	3%	Formal Written Quotations for material and purchasing	Target met. Material has been purchased for the paving infront of the workshop.		Paving of the gravel parking area infront of the workshop	Target met. The paving has been done and completed in fron of the workshop	n/a	Paving of the gravel parking area infront of the workshop	Target met. the project has been completed in November 2016.	n/a	n/a

Priority Area	Objective	Strategy	KPI No	Key Performance Indicator (Project)	Baseline	Means of verification	Weight-ing	September Target	Actual performance	Reason for variance and corrective measure	December Target	Actual performance	Reason for variance and corrective measure	March Target
PERFORMANCE PLAN: DIRECTOR:COMMUNITY SERVICES 2016/17														
KEY PERFORMANCE AREAS (KPAs)														
KPA 2. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT														
Solid waste management	To ensure a well maintained clean and healthy environment by 2017 and beyond	By conducting awareness campaigns on waste management	9	No of awareness campaigns conducted	Four (4) awareness campaigns and a programme reports	Evidence of 8 awareness campaigns and a programme reports	3.5%	Conduct two awareness campaign & submit programme report to Community Services Portfolio Committee	Target met ,4 campaigns conducted.	n/a	Conduct two awareness campaign & submit programme report to Community Services Portfolio Committee	Target Met. 5 campaigns done.	n/a	Conduct two awareness campaig & submit programm report to Community Services Portfolio Committee
		By conducting recycling programmes	10	One Recycling programmes conducted	0	Evidence of one recycling programme	3.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		By providing refuse removal services to all residents of BCRM	11	Number of times per week household and business refuse is collected	7681 households receive refuse removal services at least once per week	Evidence of refuse removal services	3.5%	Provide refuse removal services to 70% of 7681 households at least once per week	Target met ,Refuse removal service provided to 70% of households	n/a	Provide refuse removal services to 70% of 7681 households at least once per week	Target met- Refuse removal service provided to 70% of households	n/a	Provide household and business refuse removal services . least once per week
		By replacing the existing faulty 5 ton tata truck with a new 5 ton truck for refuse removal	12	one new 5 ton truck procured	two faulty tata trucks	Evidence of procuring 1 new ton truck	3.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		By erecting a fence and a gate around the newly established cemetery in Aeroville	13	Authorised land for new Aeroville Cemetery fenced	Unfenced authorised land cemetery	Pictures	3.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		By procuring a tractor and blower mower for grass cutting in parks and open spaces	14	1 tractor and blower mower procured	Non-functional tractor	Evidence of procuring one tractor and blower mower	3.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		By procuring edge cutters for grass cutting	15	10 edge cutters procured	only three edge cutters available	Evidence that 10 edge cutters were procured	3.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Environmental Health	To ensure a healthy environment to improve human health by 2017 and beyond	By implementing intervention measures to rectify the conditions arising from unhealthy human environment	16	No of health and hygiene education program conducted	Eight (8) health and hygiene education program	Pictures and reports on the health and hygiene education program	3.5%	two (2) health and hygiene education program	Target met ,4 Health & Hygiene programs done	n/a	Two (2) health and hygiene education program	Target met-4 Health & Hygiene programs done	n/a	Two (2) health and hygiene education program
			17	No of inspections in general food-handling premises conducted	160 inspections conducted in general food handling premises annually	Evidence of inspections done in general food-handling premises	3.0%	40 inspections done in general food-handling premises	Target met ,66 Inspections done	n/a	40 inspections done in general food-handling premises	Target met-66 Inspections done	n/a	40 inspections done in general food-handling premises
			18	No of inspections in child-care facilities conducted	18 inspections are conducted in child care facilities annually	Evidence that 16 inspections were done in child-care facilities	3.0%	Four (4) inspections done in child-care facilities	Target met ,11 Inspections done	n/a	Four (4) inspections done in child-care facilities	Target met-7 Inspections done	n/a	Four (4) inspections done in child-care facilities
			19	No of inspections in butcheries conducted ((compliance with Regulation R962 of 2013)	16 inspections conducted in butcheries	Evidence that 12 inspections were done in butcheries	3.0%	Three (3) inspections done in butcheries	Target met, 4 Inspections done	n/a	Three (3) inspections done in butcheries	Target met-4 Inspections done	n/a	Three (3) inspectior done in butcheries
			20	No of inspections in restaurants conducted (compliance with Regulation R962 of 2013)	40 inspections conducted in restaurants annually	Evidence on 24 inspections done in restaurants	3.0%	six (6) inspections done in restaurants	Target met ,10 Inspections done	n/a	Six (6) inspections done in restaurants	Target met-10 Inspections done	n/a	Six (6) inspections done in restaurants

Commonage and Pound	**To ensure that animals are kept from the roads and private properties to ensure safety of road users and private properties by 2017 and beyond**	By constructing pounds	27	1 Pound constructed	approved landscped site, building plan	Evidence of pound construction	3.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
			28	Fenced and constructed kraals as part of the pound	construction material for part of the pound procured	Evidence on fencing and construction of holding kraals	3.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire & Disaster Management Services	**To ensure prevention and management of fire incidences to promote safety of the environment, properties and humans by 2017**	By conducting fire prevention awareness programmes to schools and communities	29	No of fire prevention awareness programmes conducted	six (6) fire prevention programmes were conducted	Pictures	3.5%	Conduct 2 fire awareness program	Target met ,3 Awareness campaigns done	n/a	Conduct 2 fire awareness program	Target met-4 Awareness campaigns done	n/a	Conduct 2 fire awareness program
		By relocating the generator room to the front of the building to allow sufficient ventilation	30	Generator room relocated	insufficiently ventilated generator room	Pictures	3.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		By procuring 4 office desks, 4 filing cabinets, 6 office chairs and 8 visitor chairs, 2 desk top computers	31	4 office desks ,4 filling cabinets ,6 offcie chairs and 8 visitor chairs ,2 desk top computers procured	no communication radios	Evidence of procurement	3.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Library Services	**To promote a culture of learning amongst the communities of BCRM by 2017 and beyond**	By conducting library awareness campaigns amongst the communities to promote culture of learning	32	No of awareness campaigns conducted		Pictures and programme reports	3.5%	1 library awareness campaign	Target met ,4 Library awareness campaigns done	n/a	1 library awareness campaign	Target met-5 Library awareness campaigns done	n/a	1 library awareness campaign

PERFORMANCE PLAN: DIRECTOR:CFO 2016/17

Priority Area	Objective	Strategy	KPI No	Key Performance Indicator (Project)	Baseline	Means of verification	Weight-ing	September Target	Actual performance	Reason for variance and corrective measure	December Target	Actual performance	Reason for variance and corrective measure	March Target	Actual performan
KEY PERFORMANCE AREAS (KPAs)															
KPA 4 : MUNICIPAL FINANCIAL VIABILTY AND MANAGEMENT															
Asset Management	To ensure compliant and effective Asset and Fleet Management by 2017	By maintain a GRAP compliant Asset Register	66	Updated and credible Asset Register	GRAP Compliant Asset Register Submitted to AG on 31 August 2015	updated and credible Asset Register to the Auditor General by 31 August	3.5%	Submit an updated and credible Asset Register to the Auditor General by 31 August	Target met – Asset Register submitted to the Auditor General on 31 August 2016.	n/a	1. Asset verification 2. Asset Reconciliation	Target not met-Reconciliation was done .	Reason for variance and corrective measure not provided	1. Asset verification 2. Asset Reconciliation	Target Met: asset verificati and asset reconciliation v done in Cookh and Pearston
		By Reviewing the outdated Vehicle Usage Policy	67	Reviewed vehicle usage policy	Vehicle Usage Policy approved in 2010	Reviewed Vehicle Usage policy	3.5%	Submit reviewed Vehicle Usage policy to Council for approval	Target met, Council approved reviewed policy 30 June 2016	n/a	n/a	n/a	n/a	n/a	n/a
		By implementing the Reviewed Vehicle Usage Policy Committee	68	No of compliance reports submitted to Finance Standing	Zero	4 Vehicle Usage Compliance Reports	3.5%	Submit 1 Vehicle Usage Compliance Report to the Finance Committee	Target met, Report was compiled and submitted but Finance committee did not convene.	n/a	Submit 1 Vehicle Usage Compliance Report to the Finance Committee	Target not met-Vehicle report completed but not tabled in Finance Committee.	Vehicle report completed and will be tabled in the next Finance Committee meeting to be held	Submit 1 Vehicle Usage Compliance Report to the Finance Committee	Target Met – Report was submitted in th Finance Comr 14/02/2017
Revenue enhancement	To improve the municipality's revenue base to 80% by 2017	By implementing Revenue Enhancement Strategy	69	Total municipal own revenue as a % of the total actual budget.	0.65	Yearly Report to Municipal Manager	3.5%	n/a	n/a	n/a	n/a	n/a	n/a	N/a	N/a
Financial Systems	To Implement a mSCOA compliant Financial System by 01 July 2017	By implementing mSCOA approved implementation plan	70	No of Reports to Finance Standing Committee	Current Financial System not mSCOA Compliant	4 Reports on Achievement of milestones as per due dates	4.0%	Submit 1 Report on Achievement of milestones as per due dates submitted to Finance Committee	Target met, Report was compiled and submitted but Finance committee did not convene.	n/a	Submit 1 Report on Achievement of milestones as per due dates submitted to Finance Committee	Target met-Report was compiled and submitted to Finance Committee.	n/a	Submit 1 Report on Achievement of milestones as per due dates submitted to Finance Committee	Target Met -R submitted to th Finance comr 14/02/2017
Supply Chain Management	To ensure effective, efficient, economical and compliant SCM processes by 2017	By convening meetings for Bid Committees	71	No of meetings convened for Bid Committees	Meetings convened in 2014/15	Attendance Registers and minutes of meetings	5.0%	Convene 3 meetings for the Quarter per Bid Committee	Target met: convened 4 BSC meetings; 3 BEC meetings, & 4 BAC meetings	n/a	Convene 3 meetings for the Quarter per Bid Committee	Target not met-Convened 3 BSC meetings; 4BEC meetings and 2 BAC meetings held during the quarter.	2 BAC meetings were held and all the items approved by the BEC was adjudicated in the 2 BAC meetings. In future will make sure that all items recommended in a BEC meeting will be submitted on time to the BAC in order for them to convene a BAC meeting	Convene 3 specification committee meetings for the Quarter Convene 3 evaluation committee meetings for the Quarter Convene 1 Adjudication committee meetings for the Quarter	Target Met 3 E meetings held Target Met 3 E meetings held Target Met 2 BAC meetin
		By identifying and reporting on Unauthorised; irregular; fruitless and wasteful expenditure	72	No of reports submitted to council reflecting Unauthorised Irregular; Fruitless & 4 quarterly reports to Council reflecting Unauthorised Irregular; Fruitless & Wasteful Expenditure Wasteful Expenditure	reports submitted to Council in 2014/15	4 quarterly reports to Council reflecting Unauthorised Irregular; Fruitless & Wasteful Expenditure	3.0%	1 quarterly report to Council reflecting Unauthorised Irregular; Fruitless & Wasteful Expenditure	Target Met – SCM Report with UIF&W submitted to Council on 26 July 2016	n/a	1 quarterly report to Council reflecting Unauthorised Irregular; Fruitless & Wasteful Expenditure	Target met- report submitted to Council reflecting Unauthorised Irregular; Fruitless & Wasteful Expenditure.	n/a	1 quarterly report to Council reflecting Unauthorised Irregular; Fruitless & Wasteful Expenditure	Target met (No I, U, or F expenditure fr the finance department identified in th second quarte
		By implementing consequence management for reported Unauthorised; Irregular Fruitless & Wasteful Expenditure	73	No of Reports on Investigation of Unauthorised; Irregular; Fruitless & Wasteful Expenditure	Zero	4 Reports on Investigation of Unauthorised; Irregular; Fruitless & Wasteful Expenditure submitted to MPAC	3.0%	1 Report on Investigation of Unauthorised; Irregular; Fruitless & Wasteful Expenditure submitted to MPAC	Target Not Met – MPAC was not yet convened for the new Council and induction must first take place before a report can be tabled	n/a	1 Report on Investigation of Unauthorised; Irregular; Fruitless & Wasteful Expenditure submitted to MPAC	Target not met-Tabled to Council but not to the MPAC Committee, as they only had their training in December 2016 and the MPAC meeting was not held.	The report was tabled to Council but not to the MPAC Committee, as they only had their training in December 2016 and the MPAC meeting was not held. The meeting will be held in quarter 3	1 Report on Investigation of Unauthorised; Irregular; Fruitless & Wasteful Expenditure submitted to MPAC	Target met: re submitted to th MPAC.
Financial Control	To ensure effective implementation of internal controls by 2017	By developing procedure manuals	74	No. of procedure manuals developed and approved by Council	4 developed procedure manuals in 2014/15	10 procedure manuals	3.0%	n/a	n/a	n/a	1.Develop 5 procedure manuals 2.Submit 5 procedure manuals to council for approval	Target not met -7 Procedure manuals developed but not submitted to Council.	All procedure manuals were only finalised in December 2016 and there was no Council meeting. It will be tabled in the next Council meeting to be held	Develop 5 procedure manuals	Target met – 5 procedure ma were develope Stores Manual S&T's , Indige procedures, Preparations c AFS and Loan procedures

ANNEXURE A– DEVIATIONS 01 APRIL TO 30 JUNE 2017

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
TECHNICAL SERVICES							
07/04/2017	ALGOA TOYOTA	80000KM SERVICE AS PER QUOTATIONS - FTY 745	SERVICE TO BE DONE BY AGENTS WHICH IS HINO ALGOA	s36(1)(a)(v)	AAO	R 3 089.05	48322
20/04/2017	A&D POWER	REPAIR OF CABLE AT BOSBERG SUBSTATION	ON 24 MARCH 2017 A RING MAIN UNIT CABLE IN BOSRIVIERDEVELOPED A FAULT DUE TO HEAVY THUNDERSTORMS AND AREA OF THE TOWN ,PAULET STREET AND WESTVIEW WERE LEFT WITHOUT POWER. A& D WHICH IS THE ONLY SERVICE PROVIDERIN BCRM DATABASE THAT DOES CABLE FAULT AND REPAIRS WAS CALLED TO ASSIST WITH THE EMERGENCY REPAIRS TO RESTORE POWER.	s36(1)(a)(v)	AO	R 21 648.60	48377
20/04/2017	A&D POWER	REPAIR OF MINI SUBSTATION	ON 24 MARCH 2017 A MINISUBSTATION IN NKQANTOSI SOMERSET EAST WAS DAMAGED BY LIGHTNING AND JOHNSON NQONQOZA HIGH SCHOOL AS WELL AS NKQANTOSI WERE LEFT WITHOUT POWER.A&D POWER WHICH IS THE ONLY SERVICE PROVIDER THAT IS BCRM DATABASE THAT DOES TESTING AND REPAIRS ON MINISUBSTATIONS WAS CALLED TO ASSIST WITH THE EMERGENCY REPAIRS.	s36(1)(a)(v)	AO	R 29 400.60	48378
03/05/2017	BG SECURITY	AFTER HOURS SERVICE	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ALL ELECTRICAL PROBLEMS AFTER HOURS.THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	s36(1)(a)(v)	AO	R 3 990.00	48450
16/05/2017	AFROX	ARGON TEC,ACENT TEC AND OXYCYL	SOLE PROVIDER OF AFROX GAS	s36(1)(a)(v)	AO	R 3 184.98	48528
09/06/2017	B G SECURITY	AFTERHOURS PHONE CALLS WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 2 859.12	48736
12/06/2017	ALL CUT POWER PRODUCTS	SUPPLY PARTS AND REPAIR AS PER QUOTATION	PARTS & LABOUR TO BE DONE AGENTS ONLY	s36(1)(a)(v)	AO	R 6 473.34	48714

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
FINANCIAL SERVICES							
06/04/2017	SONDLO AND KNOPP ADVERTISING CC	FWQ03/2017,T04/2017,T06/2017,T07/	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s36(1)(a)(v)	AO	R 5 964.48	48307
18/04/2017	SONDLO AND KNOPP ADVERTISING CC	T08/2017-SOMERSET EAST,COOKHOUSE AND PEARSTON STREET LIGHT PROJECT	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s36(1)(a)(v)	AO	R 12 674.52	48365
04/05/2017	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM:807215	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCRM VEHICLES.DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCRM AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING.DE KLERK'S BODY IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE,CSD.	s36(1)(a)(v)	AO	R 3 000.00	48456
04/05/2017	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM:808788	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCRM VEHICLES.DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCRM AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING.DE KLERK'S BODY IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE,CSD.	s36(1)(a)(v)	AO	R 3 000.00	48457
04/05/2017	SONDLO AND KNOPP ADVERTISING	T09/2017-UPGRADE OR REFURBISHMENT OF CIVIL WORKS IN THE MAIN ELECTRICAL SUBSTATION	OTHER ADVERTSING AGENCIES ARE NOT INTERESTED IN ADVERTISING ANYMORE	s36(1)(a)(v)	AO	R 11 183.40	48461
09/05/2017	BG SECURITY	SERVICES 07/03-27/03/2017	THE SERVICES FOR CIT ARE REQUIRED FRO THE TIME BEING.THE MUNICIPALITY WAS USING SBV THROUGH FNB AS WE WERE USING DROP BOX WHICH IS ONLY COVERED IF WE HAVE AN ALARM SYSTEM THAT IS MONITORED BY A SAIDSA CALL CENTRE WHICH UNFORTUNATELY BG IS NOT CURRENTLY.IN THE INTERIM WE ARE BANKING THE MONEY DAILY HENCE THE NEED FOR CIT SERVICES WHICH BG IS THE ONLY SERVICE PROVIDER AROUND IN OUR AREA.	s36(1)(a)(v)	AO	R 2 074.80	48482
09/05/2017	DE KLERKS BODY REPAIRS	FIT CANOPY GLASS ,STRIP AND ASSEMBLE PARTS,PAINT REPAIRS	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCRM VEHICLES.DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCRM AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING.DE KLERK'S BODY IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE,CSD.	s36(1)(a)(v)	AO	R 6 874.20	48483

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
10/05/2017	SONDLO AND KNOPP ADVERTISING	T10/2017 UPGRADING OF COOKHOUSE WASTE WATER TREATMENT WORKS	OTHER ADVERTSING AGENCIES ARE NOT INTERESTED IN QUOTING.	s36(1)(a)(v)	AAO	R 7 780.50	48492
02/06/2017	BELL EQUIPMENT SALES	400KM TRAVEL:EXTERNAL AND LABOUR 8HRS EXTERNAL	REPAIRS ON THE MUNICIPAL VEHICLE HAD BEEN AUTHORISED AT BELL EQUIPMENT SALES .THE TLB VEHICLE DUE FOR REPAIRS IS OF THE MAKE BELL AND SERIES BACKHOE LOADER AS REGISTERED.BELL EQUIPMENT IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE.BASIS EXCESS PAYABLE BY THE BCRM WITH REGARD TO THIS CLAIM:R15000.00 AMOUNT DUE BY THE INSURER WITH REGARD TO THIS CLAIM:R21832.31(AMOUNT PAID DIRECTLY TO THE BCRM INSTEAD OF THE REPAIRER BELL) BY REASON OF BELL EQUIPMENT 'S KEY CONTROL FRAMEWORK WHICH REQUIRE A CUSTOMER ORDER TO THE FULL AMOUNT OF THE REPAIRS.	s36(1)(a)(v)	AO	R 36 832.31	48738
13/06/2017	TIMES MEDIA EC	FWQ08/2017 SUPPLY AND DELIVERY OF BUILDING MATERIAL FOR POUND	THE OTHER ADVERTISING AGENCIES ARE NO LONGER INTERESTED IN QUOTING HENCE THE TWO QUOTATIONS	s36(1)(a)(v)	AO	R 6 337.26	48645

CORPORATE SERVICES

07/04/2017	BLUE CRANE PRINTERS	PUBLICATION OF NOTICE 17/2017	WE ARE ADVERTISING IN THE LOCAL PAPER .HAARTLANDNUUS IS THE ONLY SERVICE PROVIDER IN AREA.	s36(1)(a)(v)	AO	R 2 346.12	48317
07/04/2017	BG SECURITY	ALARM SERVICES AT VARIOUS BUILDINGS	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCRM AREA.	s36(1)(a)(v)	AO	R 7 280.00	48312
07/04/2017	CHRIS BAKER AND ASSOCIATES INC	G SAMMY INVOICE C15952	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS IT IS	s36(1)(a)(v)	AO	R 4 142.33	48313

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
25/04/2017	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 92 475.39	48411
25/04/2017	SONDLO AND KNOPP	ADVERT FOR VACANT POSITION	WE REQUESTED QUOTATIONS FROM SONDLO AND KNOPP,DAILY DISPATCH AND HERALD.DAILY DISPATCH DID NOT RESPOND.	s36(1)(a)(v)	AAO	R 6 846.64	48412
29/05/2017	SMITH TABATA INCORPORATED	LEGAL FEES APRIL 2017 INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 16 131.00	48585
COMMUNITY SERVICES							
MUNICIPAL MANAGER							
06/04/2017	TIMES MEDIA EC	NOTICE NO15/2017 DRAFT IDP 2017-2022	WE REQUESTED QUOTATION FROM THE SINCE IT CAN BE REACHED BY EVERYONE.AND IS THE CHEAPEST FROM SONDLO AND KNOPPADVERTISING AGENCY.	s36(1)(a)(v)	AO	R 5 591.70	48306
21/04/2017	TRACKOS	REPLACEMENT BATTERY FOR 16 KVA UPS	CURRENTLY WE'VE GOT A MAINTENANCE AGREEMENT WITH TRACKOS FOR THE SERVICE ROOM ON THE PREVIOUS SERVICE TERM ON THE UPS IT WAS NOTICED THE BATTERIES WERE FAULTY AND NEEDED TO BE REPLACED.SO WE BUY THE BATTERIES FROM TRACKOS AS THEY ARE THE ONE WHO MUST REPLACE THEM UNDER THE MAINTENANCE CONTRACT.UPS INCORPORATED INTO THE SERVER SYSTEM THAT WAS DONE BY TRACKOS AND HAS A MAINTENANCE PLAN.	s36(1)(a)(v)	AO	R 6 680.40	48390

No.	Reporting Area	Findings	Description	Repeat Finding from PY?	ROOT CAUSE	Action Plan	Start Date	Completion Date	Title	First Name	Surname	Position	Progress	Portfolio of Evidence
1	AOPO	Targets not specific and measurable	During usefulness testing of KPA 2 (Basic Service Delivery and Infrastructure Development) it was identified that the below mentioned targets are not measurable	YES	Lack of implementation and review of established internal controls Lack of a technical indicator description manual	- Review and amend the SDBIP - Submission of directorate SDBIPs on time to PMS and Internal Audit - Collective submission of IPD, Budget and SDBIP on time for 2018/19		28 Feb 2018 31 May 2018	Ms	Samela	Hanabe	PMS Manager		
2	SCM	No supplier declaration of interest	During the testing of awards it was noted that suppliers who have not submitted declaration of interest were considered and awarded contracts, the following supplier were identified to have directors who are in the service of the state.	YES	Absence of quality assurance and review Lack of capacity due to vacant positions	- Suppliers database review, cleansing and update - Develop and/or improve compliance checklists for all procurement thresholds - Implement consequence management - Organise an annual supplier day for information sharing and raise awareness - Regular update to the SAMRAS SCM module - Regular training of bid committees		Checklist - 28 Feb 2018 Database review and Annual Supplier Day - 30 June 2018 Bid committee - 31 May 2018	Mrs	Ayanda	Mbebe	Manager: SCM		
3	SCM	Awards to persons in the service of the state	The following suppliers were awarded contracts despite being in the service of the state and this declaration was declared in the declaration forms. These awards were also not declared in the notes of the annual financial statements		Absence of quality assurance and review Lack of capacity due to vacant positions	- Suppliers database review, cleansing and update - Develop and/or improve compliance checklists for all procurement thresholds - Implement consequence management - Organise an annual supplier day for information sharing and raise awareness - Regular update to the SAMRAS SCM module - Regular training of bid committees		Checklist - 28 Feb 2018 Database review and Annual Supplier Day - 30 June 2018 Bid committee - 31 May 2018	Mrs	Ayanda	Mbebe	Manager: SCM		
4	LED	LED	The Municipality does not have key performance indicators in the 2016/2017 SDBIP that measure the following: • procurement spending on SMMEs • payment of SMMEs within 30 days • procurement spending on local suppliers This is a value add finding to ensure alignment with government priorities and treasury regulations.		This due to Treasury regulations being effected after the SDBIP process has been finalised. Limited capacity in the LED function	- Implementation of the newly aligned SCM Policy - Inclusion of KPI to measure timeliness of payments to SMMEs - Appointment of LED Manager		28-Feb-18	Ms	Samela	Hanabe	MANAGER: PMS		
5	AOPO	Reports not signed by director for approval/review	Quarterly reports (3rd quarter) on following indicators in KPA 2: Service Delivery and Infrastructure Development (community services) were not signed by Director for review and/ approval: 1. No. of inspections in general food-handling premises (compliance with Regulation R962 of 2013) 2. No. of water samples taken for bacteriological analysis 3. Number of times per week household and business refuse is collected This is due to lack of implementation of review, and approval procedures by management as required by MSA.		Lack of appropriate review of performance report	Reports authorised by the Director before submission to PMS and Internal Audit for review	1-Jul-18	31-Jul-18				Director		
6	AOPO	Unclear target on the SDBIP	SDBIP was not adequately reviewed, despite previous communication by external auditors during quarterly reviews conducted. This will result in in the target not being measurable, thus not useful		Lack of implementation and review of established internal controls Lack of a technical indicator description manual	Review the 2017/18 SDBIP		16-Mar-18	Ms	Samela	Hanabe	MANAGER: PMS		

No.	Reporting Area	Findings	Description	Repeat Finding from PY?	ROOT CAUSE	Action Plan	Start Date	Completion Date	Title	First Name	Surname	Position	Progress	Portfolio of Evidence
7	AOPO	No Indicator description/SOP for KPI 59 (LED)	The municipality does not have an indicator description or standard operating procedures for indicator KPI 59: Number of SMMEs supported. The municipality did not have the staff to operate the LED department.			Organise a management workshop to develop a comprehensive technical indicator description manual		28-Feb-18	Ms	Samela	Hanabe	MANAGER: PMS		
8	AOPO	KPA 2 Inconsistencies between the SDBIP and APR	During the audit of usefulness of KPA 2 (Basic services and infrastructure Development) it was noted that there are inconsistencies between the planning documents (SDBIP) and the reported information (APR).			ADDRESSED IN NOVEMBER 2017		30-Nov-17	Ms	Samela	Hanabe	MANAGER: PMS	COMPLETED	
9	ICT	ICT: No access reviews done on municipal systems	Processes were not in place to ensure that reviews would periodically be undertaken to determine whether employees' current access and privileges on the system were commensurate with their job responsibilities. There is no policy within the municipality for access reviews on systems to monitor employee's privileges. If the functions allocated to application users are not timely reviewed, it could result in users having functions that are not commensurate with their job descriptions			To conduct Reviews according to the new User access management policy that has been approved by council.	01-Feb-18	31-Mar-18	Mr.	Mzwandile	Gush	Manager ICT		
10	ICT	No independent reviews done on person responsible for granting user access to the network	Even though processes were in place to ensure that the activities of the systems administrator ICT manager who granted user access to the SAMRS and Eclipse systems would be reviewed by internal audit, it was found that reviews were not performed by the internal audit unit. Internal audit is short staffed and unable to complete all the work it should perform during a financial year. The lack of reviews of system controllers' activities could lead to unauthorised access being gained to the system as inappropriate access granted might not be detected.		-Lack of capacity at the time within Internal Audit	- Appointment of Manager Internal Audit - Amend the IA plan to include a review on ICT function - Build capacity through training staff in ICT auditing		30-Jun-18	Mr	Mzuqhamile	Mbangi	Manager Internal Audit		
11	ICT	ICT: Back-ups not stored offsite	Formal off-site backup arrangements for the SAMRS system had not been documented and approved by management. Consequently, backups were not taken to the off-site backup location periodically. Municipality does not have off-site to store its backup still using fireproof storage at the municipal manager's office. This could have the effect that it would not be possible to recover all the data on the SAMRS system and to resume processing in the event of a disaster.			Configure second backup drive to be stored offsite in the archives strong room.	01-Feb-18	01-Mar-18	Mr	Mzwandile	Gush	ICT Manager		
12	HR	No pre- approval of travel allowance	While testing allowances, Mr FC Scott was selected in the sample and it was noted there is no itinerary or preapproval for his business travel. F.C. Scott is a Building Inspector and therefore the nature of the job requires him to travel frequently. The total travel allowance paid to him for 2016/17 is R184 306.98 and for 2015/2016 year is R180745.01. This expense is supported by logbooks which are signed after the travel was done and before the allowance playout. This is due to lack of supervision by management in ensuring that the HR policy of the municipality is complied			-Pre-approval on a weekly basis of official travel - Investigate the option of implementing the essential scheme user - Review of logbooks against speedometer		31-Mar-17				Director: Tehcnical Services Manager: SCM		

No.	Reporting Area	Findings	Description	Repeat Finding from PY?	ROOT CAUSE	Action Plan	Start Date	Completion Date	Title	First Name	Surname	Position	Progress	Portfolio of Evidence
13	Asset Management	Property, plant and equipment: Residual values	During the testing of Property, plant and equipment, it was noted that the residual value for motor vehicles are 52% of the cost after the estimated useful lives of 5 years. The Auditor General is of the opinion that the residual value is excessive. It is unlikely that any motor vehicle can still be more worth 52% after use of 5 years. The Auditor General does acknowledge that the estimated useful life of 5 years for motor vehicles is shorter than the average economic life; hence it would be expected of the motor vehicle to have a residual value.		- Work done by consultant not reviewed previously	- Review residual values of assets - Review the asset management for the categories of assets		31 May 2018 10 August 2018	Mrs	Ayanda	Mbebe	Manager: SCM		
14	Contract Management	Procurement and contract management: Deviation not in terms of the SCM Regulations	During the testing of deviations, it was noted that a deviation was approved on 20 October 2016 for security services from Frema Consultants, based on the reasoning that it is impractical or impossible to follow the official procurement processes. The reports requesting the deviation were dated 10 May 2016, RE: Departmental assistance: Security guard and 15 August 2016. RE: Security of councillor house and staff showers in Cookhouse. It was noted that the security services of same service provider was used in July		Contracts not monitored	- Generate a purchase order for every transaction - Implement contract Management module within the SAMRAS system		31 June 2018	Mrs	Ayanda	Mbebe	Manager: SCM		
15	SCM	Deviations not disclosed in the Annual financial statements submitted on 31 August 2017	The note relating to deviations is omitted from the annual financial statements submitted on 31 August 2017. This is due to inadequate review of the annual financial statements submitted for audit. This will result in non-compliance with SCM Regulation 36(2) as disclosures made in the annual financial statements for the year ended 30 June 2017 is not complete	No	Lack of review of AFS	'- Implement AFS Checklist								
16	SCM	Deviation not included in the deviation register (ISS.24)	Per inspection of the procurement documentation for cheque number 100020783, a deviation report was completed for the provision of accommodation and conference facilities at Kat Leisure Hotel Group for the amount of R44 700. Per inspection of the deviation register, this award was not included as part of the deviations A deviation was included in the deviation register, however it related to the Fish River Sun resort, which was not used. The Fish River Sun Resort cancelled and the SCM clerk omitted to change	No	- Human error/oversight	- Print and review on a monthly basis deviations		Monthly	Mrs	Ayanda	Mbebe	Manager SCM		
17	SCM	Procurement and contract management: Deviation not in terms of the SCM Regulations	During the testing of deviations, it was noted that a deviation was approved on 20 October 2016 for security services from Frema Consultants, based on the reasoning that it is impractical or impossible to follow the official procurement processes The reports requesting the deviation were dated 10 May 2016, RE: Departmental assistance Security guard and 15 August 2016. RE: Security of councillor house and staff showers in Cookhouse. It was noted that the security services of same service provider was used in July											
18	SCM	Contract management and procurement: Incomplete contract and quotation registers	During the testing of procurement and contract management, it was noted that not all tenders and quotations awarded during the financial year is included in the respective registers. It was also further noticed that the municipality does not have a register for formal written quotation for criteria R10 000 to R200 000		- Manual register was implemented for a lower threshold only	- Develop a monthly RFQ register - Review of the register		Monthly	Mrs	Ayanda	Mbebe	Manageer SCM		

No.	Reporting Area	Findings	Description	Repeat Finding from PY?	ROOT CAUSE	Action Plan	Start Date	Completion Date	Title	First Name	Surname	Position	Progress	Portfolio of Evidence
19	SCM	Procurement and contract management: No declaration of Interest for supplier	During the testing of procurement and contract management, it was noted that the following suppliers was awarded business but has not submitted a declaration of Interest:											
20	SCM	Possible cover quoting	During testing of FWQ 28/2016, it was noted that, only one quote was received and only one quote was evaluated. However per inspection of the quote file (quote number FWQ 28/2016), 3 quotes were attached from 3 different providers as follows: John Dirker Engineering (Pty) Ltd for R79, 572.00 W Squared CC for R83, 972.40 Pro Tek Heads for R85, 614.00 Per further inspection, it was noted that all 3 quotes was send from the same fax number. The number is 041 451 1553 which is the fax number of the winning			Investigate this specific case		28-Feb-18	Mr	Nigel	Delo		CFO	
21	SCM	The winning provider tax matters could not be confirmed	During the testing of procurement and contract management, it was CBV filling station does not have a tax clearance on file. There is also no authority letter to the municipality to obtain a tax clearance. The SCM official did not exercise due care in ensuring that all documentation relating to the supplier, that is required in terms of the SCM regulations are provided by the supplier. The expenditure incurred is not in terms of the SCM regulations; hence the expenditure should be classified as		REFER to SCM TRANSACTION AT BEGININ									
22	SCM	Total payments exceeds the contract value	During the testing of contract management, it was noted that the total payments of R 2, 084, 265 exceeds the contract value of R 1, 235, 874 for bid T03/2014 Professional engineering services: Upgrading of sport fields & parks, awarded to Hatch Goba (Pty) Ltd. No approved documentation (e.g. variation order) could be obtained as reasons why the payments exceeded the contract value. There are no proper controls in place regarding the administration and		Contracts not monitored	- Generate a purchase order for every transaction - Implement contract Management module within the SAMRAS system - Consequence management to deal with irregular expenditure (Disciplinary board		31 June 2018	Mrs	Ayanda	Mbebe	Manager: SCM		
23	Income	Indigent Debtors not reviewed annually	During the testing of indigent Debtors, noted that the indigent policy is not being adhered to. The following adhered to and the following were noted: 1. Applicants who applied for assistance in the previous financial year, applications were not reviewed for the current year 2. It was also noted that indigent application forms are not adequately completed, there Municipality Attesting Officer and the Ward Councillor do not always sign off the application forms as proof of approval The account number as follows:	-		- Develop form to update the indigent register - Quarterly conduct community outreach programme bi-monthly and quarterly		COMPLETED	Mrs	Sizeka	Hulana	Manager: Revenue & Expenditure	Completed	

No.	Reporting Area	Findings	Description	Repeat Finding from PY?	ROOT CAUSE	Action Plan	Start Date	Completion Date	Title	First Name	Surname	Position	Progress	Portfolio of Evidence

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BLUE CRANE ROUTE MUNICIPALITY(EC102)

Annual Financial Statements for the year ended 30 June 2017

General Information

Legal form of entity	Local Municipality
Nature of business and principal activities	Local Government
The following is included in the scope of operation	Service Delivery
Council members	
Mayor	BA Manxoweni
Councillors	A Hufkie M Kwatshu P Sonkwala J Martin T Xakaxa F Brown C Du Plessis KC Brown NP Nkonyeni T Grootboom
Accounting Officer	Thabiso Klaas
Chief Finance Officer (CFO)	NB Delo
Registered office	67 Nojoli Street Somerset East 5850
Postal address	P.O. Box 21 Somerset East 5850
Auditors	Auditor General
Bankers	First National Bank
Attorneys	Not appointed

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) And the Municipal Finance Management Act (MFMA) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the Chief Financial Officer.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors.

The annual financial statements set out on the following pages have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2017 and were signed by him.

The accounting officer hereby certify as required by Section 124(1)(a) of the Municipal Finance Management Act (Act 56 of 2003) that the salaries, allowances and benefits of political office-bearers and councillors of the Blue Crane Route Municipality, whether financial or in kind, are within the upper limits of the framework envisaged in section 219 of the Constitution.

Thabiso Klaas
Accounting Officer
21 November 2017

STATEMENT OF FINANCIAL POSITION

	Notes	2017 R	2016 R (Restated
ASSETS			
Current assets			
Other financial assets	4	3 253	3 094
Inventories	6	958 287	871 461
Other receivables from exchange transactions	7	1 051 029	1 148 855
Other receivables from non-exchange transactions	8	6 414 873	5 535 910
Trade receivables from exchange transactions	9	22 444 353	18 694 127
Cash and cash equivalents	10	6 928 628	14 112 575
		37 800 423	40 366 022
Non-current assets			
Investment property carried at fair value	11	25 391 518	25 507 221
Property, plant and equipment	12	572 921 445	592 718 185
Intangible assets	13	2 238	6 929
Heritage assets	14	458 067	458 067
Other financial assets	4	6 401	9 655
		598 779 669	618 700 057
Total assets		**636 580 092**	**659 066 079**
LIABILITIES			
Current liabilities			
Employee benefit obligation	15	1 258 474	948 651
Other financial liabilities	16	3 228 932	3 477 401
Finance lease obligation	17	858 589	1 133 396
Unspent conditional grants and receipts	18	4 197 603	6 339 006
Payables from exchange transactions	20	24 689 180	22 180 300
Trade and other payables from non-exchange	21	55 700	254 717
VAT payable	22	3 074 334	2 754 507
Consumer deposits	23	2 421 026	2 462 971
		39 783 838	39 550 949
Non-current liabilities			
Employee benefit obligation	15	24 419 218	23 338 756
Other financial liabilities	16	8 134 684	11 382 739
Finance lease obligation	17	1 429 629	2 288 219
Provisions	19	25 926 519	23 630 602
		59 910 050	60 640 316
Total liabilities		**99 693 888**	**100 191 265**
Net assets		**536 886 204**	**558 874 814**
Accumulated surplus		**536 886 204**	**558 874 814**

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2017 R	2016 R (Restated)
Revenue			
Property rates	26	11 152 026	10 093 914
Service charges	27	112 032 712	97 320 926
Rental of facilities and equipment	25	47 053	62 666
Interest received (trading)	25	3 847 706	3 151 422
Interest received	28	1 281 204	1 446 111
Income from agency services	25	885 336	675 918
Fines	25	71 800	59 980
Licences and permits	25	831 847	745 197
Government grants and subsidies	29	72 921 953	70 588 771
Fees earned	25	498 321	864 125
General	25	878 481	834 911
Private Work	25	121 306	182 942
Gains on disposal of assets	25	65 416	-
Other income	30	2 577 533	733 647
Total revenue		**207 212 694**	**186 760 530**
Expenditure			
Employee related costs	31	73 995 198	69 831 879
Remuneration of councillors	32	3 480 647	3 571 936
Debt Impairment	33	13 413 398	8 404 847
Collection costs			11 990
Depreciation and asset impairments/amortisation	12/13	36 326 106	34 776 881
Repairs and maintenance		2 917 877	3 543 168
Finance costs	34	6 156 554	5 733 028
Bulk purchases	35	74 856 791	67 996 582
General expenses	36	19 246 774	24 344 416
Loss on disposal of assets			322 177
Total expenditure		**230 393 345**	**218 536 904**
Actuarial (Loss) /gain	15	1 192 041	1 362 493
Surplus / (deficit) for the year		**(21 988 610)**	**(30 413 881)**

STATEMENT OF CHANGES IN NET ASSETS

	Notes	R	R
		Accumulated Surplus/(Deficit)	**Total: Net Assets**
Opening balance as previously reported (2015)		**636 195 190**	636 195 190
Adjustments:			
Prior period adjustments (2015 and earlier)	42	(46 906 495)	(46 906 495)
Balance at 1 July 2015 as restated		**589 288 695**	589 288 695
Changes in net assets			
Deficit for the year		(30 413 881)	(30 413 881)
Balance at 30 June 2016 as restated		558 874 814	558 874 814
Opening balance as previously reported (2016)		631 899 979	631 899 979
Prior period adjustments (2016 and earlier)	42	(73 025 165)	(73 025 165)
Balance at 1 July 2016 as restated		**558 874 814**	**558 874 814**
Changes in net assets			
Deficit for the year		(21 988 610)	(21 988 610)
Balance at 30 June 2017		**536 886 204**	**536 886 204**

CASH FLOW STATEMENT

	Notes	2017 R	2016 R (Restated)
Cash flows from operating activities			
Receipts			
Sales of goods and services		110 767 526	96 883 412
Grants		70 780 550	75 717 274
Interest received		1 251 250	1 408 577
Other receipts		4 010 177	9 164 768
		186 809 503	183 174 031
Payments			
Employee costs		(73 303 740)	(69 175 801)
Remuneration of councillors		(3 480 647)	(3 511 936)
Suppliers		(25 551 051)	(23 414 068)
Bulk purchases		(66 965 109)	(66 098 076)
Interest paid		(1 404 356)	(1 311 052)
Other payments		(2 308 204)	(3 491 141)
		(173 013 107)	(167 002 074)
Net cash flows from operating activities	38	**13 796 396**	**16 171 957**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(16 465 760)	(12 331 422)
Nett proceeds on disposal of assets and liabilities		408 278	3 508
Proceeds from Other financial assets	4	3 095	2 943
Net cash flows from investing activities		**(16 054 387)**	**(12 324 971)**
Cash flows from financing activities			
Proceeds from borrowings			3 300 000
Repayment of other financial liabilities		(3 496 524)	(2 653 422)
Finance lease payments		(1 429 432)	(1 499 825)
Net cash flows from financing activities		**(4 925 956)**	**(853 247)**
Net increase / (decrease) in net cash and cash equivalents		(7 183 947)	2 993 739
Cash Balance transferred from Dev Agency			
Net cash and cash equivalents at beginning of period		14 112 575	11 118 836
Net cash and cash equivalents at end of period	10	**6 928 628**	**14 112 575**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Notes	Approved budget R	Adjustments R	Final budget R	Actual amounts on comparable basis R	Difference between final budget and actual R
Statement of Financial Position						
Total current assets		26 803 676	1 735 844	**28 539 520**	37 800 423	**(9 260 903)**
Total non-current assets		636 267 391	291 136	**636 558 527**	598 779 669	**37 778 858**
Total current liabilities		(17 089 539)	(9 122 390)	**(26 211 929)**	(39 783 838)	**13 571 909**
Total non-current liabilities		(30 311 507)	(25 586 229)	**(55 897 736)**	(59 910 050)	**4 012 314**
Net Assets		**615 670 021**	**(32 681 639)**	**582 988 382**	**536 886 204**	**46 102 178**
Statement of Financial Performance						
Revenue						
Property rates	49	11 090 000	50 000	**11 140 000**	11 152 785	**(12 785)**
Service charges	49	108 317 120	8 817 550	**117 134 670**	121 959 788	**(4 825 118)**
Interest earned - external investments		1 000 750		**1 000 750**	1 281 204	**(280 454)**
Interest earned - outstanding debtors		2 722 650	427 350	**3 150 000**	3 847 706	**(697 706)**
Rental of facilities and equipment		75 000	(12 000)	**63 000**	47 053	**15 947**
Fines		70 000		**70 000**	71 800	**(1 800)**
Licences and permits		631 790	188 210	**820 000**	831 847	**(11 847)**
Agency services		660 000	90 000	**750 000**	885 336	**(135 336)**
Transfers recognised		76 636 550	(982 190)	**75 654 360**	72 921 953	**2 732 407**
Gains on disposal of PPE		100 000	389 000	**489 000**	65 416	**423 584**
Other own revenue		5 497 690	196 650	**5 694 340**	4 075 641	**1 618 699**
Total Revenue		**206 801 550**	**9 164 570**	**215 966 120**	**217 140 529**	**(1 174 409)**
Expenditure						
Employee costs	49	73 523 290	2 866 190	**76 389 480**	73 641 294	**2 748 186**
Remuneration of councillors	49	4 136 030	(84 860)	**4 051 170**	3 800 951	**250 219**
Debt impairment		6 335 000	1 630 000	**7 965 000**	13 413 398	**(5 448 398)**
Depreciation & asset impairment		35 188 500	(740 000)	**34 448 500**	36 326 106	**(1 877 606)**
Finance charges		3 748 960	2 195 770	**5 944 730**	6 156 554	**(211 824)**
Bulk Purchases		65 378 350	10 865 850	**76 244 200**	74 856 791	**1 387 409**
Transfers and Grants	49	1 053 000		**1 053 000**	910 535	**142 465**
Other expenditure	49	28 212 990	997 950	**29 210 940**	30 023 510	**(812 570)**
Loss on disposal of assets					-	**-**
Total expenditure		**217 576 120**	**17 730 900**	**235 307 020**	**239 129 139**	**(3 822 119)**
Actual Amount on Comparable Basis as Presented in the Budget And Actual Comparative Statement		**(10 774 570)**	**(8 566 330)**	**(19 340 900)**	**(21 988 610)**	**2 647 710**

Refer to note 51 for explanations for material variances between final budget and actual amounts as well as the final budget and the original budget

	Notes	Approved budget R	Adjustments R	Final budget R	Actual amounts on comparable basis R	Difference between final budget and actual R
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Ratepayers and other		113 867 700	17 008 529	**130 876 229**	114 819 648	**16 056 581**
Government - operating		51 654 000	(1 109 576)	**50 544 424**	52 797 850	**(2 253 426)**
Government - capital		17 983 000	683 000	**18 666 000**	17 982 700	**683 300**
Interest		3 179 150	(1 839 936)	**1 339 214**	1 251 250	**87 964**
Payments						
Suppliers and employees		(164 752 500)	(35 017 523)	**(199 770 023)**	(171 608 751)	**(28 161 272)**
Finance charges		(1 277 690)	(638 583)	**(1 916 273)**	(1 700 391)	**(215 882)**
Transfers and Grants		(1 053 000)	333 000	**(720 000)**		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**19 600 660**	**(20 581 089)**	**(980 429)**	**13 542 306**	**(13 802 735)**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE		100 000		**100 000**	408 278	**(308 278)**
Decrease (Increase) in non-current debtors					3 095	**(3 095)**
Payments						
Capital assets		(18 283 000)	425 930	**(17 857 070)**	(16 465 760)	**(1 391 310)**
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(18 183 000)**	**425 930**	**(17 757 070)**	**(16 054 387)**	**(1 702 683)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans						
Borrowing long term/refinancing						**-**
Increase (decrease) in consumer deposits		50 000	173 977	**223 977**	(41 945)	**265 922**
Payments						
Repayment of borrowing		(11 468 000)	7 286 518	**(4 181 482)**	(4 629 921)	**448 439**
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(11 418 000)**	**7 460 495**	**(3 957 505)**	**(4 671 866)**	**714 361**
NET INCREASE/ (DECREASE) IN CASH HELD		(10 000 340)	(12 694 664)	**(22 695 004)**	(7 183 947)	**(14 791 057)**
Cash Balance transferred from Dev Agency						
Cash/cash equivalents at the year begin:		10 000 000	4 110 885	**14 110 885**	14 112 575	**(1 690)**
Cash/cash equivalents at the year end:		**(340)**	**(8 583 779)**	**(8 584 119)**	**6 928 628**	**(14 792 747)**

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act No 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below.

These accounting policies are consistent with those applied in the preparation of the prior year financial statements, unless specified otherwise. Details on any changes in accounting policies are provided in note Changes in accounting policy.

1.1. Presentation of currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. The figures in the annual financial statement are rounded to the nearest Rand value.

1.2. Going concern

These annual financial statements were prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3. Budget information

Budget information in accordance with GRAP 1 and 24, has been provided in the Statement of comparison of budget and actual amounts.

The approved budget is prepared on an accrual basis.

The approved budget covers the fiscal period from 2016/07/01 to 2017/06/30.

1.4. Comparative figures

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and/or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are

restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. The presentation and classification of items in the current year is consistent with prior years.

The nature and reasons for the reclassifications and restatements are disclosed in note 42 to the financial statements.

1.5. Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.6. Significant judgements and sources of estimation uncertainty

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require material adjustment to the carrying amount of the relevant asset or liability in future periods.

Judgements

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the annual financial statements.

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies, the following estimates were made:

Inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir.

Impairments of non-financial assets

In determining the value-in-use of non-financial assets, management is required to rely on the use of

estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

Provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes.

Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions. Additional disclosure of these estimates of provisions is included in note 19 - Provisions.

Pension and other post-employment benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate, future salary increase, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment on an individual basis.

The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance the estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile.

Provision for rehabilitation of refuse landfill sites

The entity has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the size / extent of the land to be rehabilitated, the rehabilitation

cost per square meter, the monitoring cost per square meter, and the rehabilitation period. Current costs are projected using the average rate of inflation over the remaining period until rehabilitation, and then discounted to their present value using an appropriate discounting rate, representing the time value of money.

Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's current condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

1.7. Property, plant and equipment

Initial recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the municipality and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the cost of dismantling and removing the asset and restoring the site on which it is operated.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Major spare parts and servicing equipment which are expected to be used for more than one period

are included in property, plant and equipment. In addition, spare parts and servicing equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Subsequent measurement

Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, which is not depreciated as it is deemed to have an indefinite useful life.

Subsequent expenditure

Where the entity replaces part of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Depreciation

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Components that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset's residual value.

The annual depreciation rates are based on the following estimated useful lives:

Item	Average useful life
Land (PPE)	Indefinite
Buildings	60 years
Plant	5 – 15 years
Furniture and fixtures	5 – 15 years
Motor vehicles	5 – 20 years
Office equipment	3 – 10 years
Other equipment	3 – 10 years
Infrastructure	5 – 80 years

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8. Investment property

Initial Recognition

Investment property includes property (land or a building, or part of a building) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Investment property is initially recognised when future benefits are probable and the cost or fair value can be determined reliably.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is the cost at date of completion.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of day to day servicing of investment property is recognised in the Statement of Financial Performance as incurred.

Cost Model

Investment property is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property – land	indefinite
Property – buildings	30 years.

Derecognition

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.
Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Impairments

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date.

Where the carrying amount of an Investment Property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

Subsequent expenditure

Where the entity replaces part of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

1.9. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. The entity recognises an intangible asset in its Statement of Financial Position when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and the cost or fair value of the asset can be measured reliably.

An internally generated intangible asset is subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the entity intends to complete the intangible asset, for use or sale
- it is technically feasible to complete the intangible asset

- the entity has the resources to complete the project
- it is probable that it will generate future economic benefits or service potential.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Subsequent measurement

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The cost of an intangible asset is amortised over the useful life where that useful life is finite. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assumption continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

For all other intangible assets amortisation is provided on a straight line basis over their useful life. Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation and impairment

Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method.

The annual amortisation rates are based on the following estimated average asset lives:

Computer software	5 years

Impairments

The entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down

immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.10. Heritage Assets

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives.

Initial Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairments

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.11. Financial instruments

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument. The entity recognises financial assets using trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument meets the relevant definitions.
Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

Initial measurement

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost. All financial assets and financial liabilities are measured after initial recognition using the following categories:

a) Financial instruments at fair value:
   - derivatives;
   - combined instruments that are designated at fair value;
   - instruments held for trading. A financial instrument is held for trading if:
     - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
     - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
     - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and

- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

b) Financial instruments at amortised cost:

Non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that the entity designates, at fair value, at initial recognition or, are held for trading.

c) Financial instruments at cost:

Investments in residual interest, which do not have quoted market prices, and for which fair value cannot be determined reliably.

The entity assesses which instruments should be subsequently measured at fair value, amortised cost or cost, based on the definitions of financial instruments at fair value, financial instruments at amortised cost or cost, based on the definitions of financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost as set out above.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.
For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairments

All financial assets measured at cost or amortised cost are subject to an impairment review. The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when the obligation is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability)

extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Policies relating to specific financial instruments

Investments at amortised cost

Investments which include fixed deposits and short-term deposits invested in registered commercial banks are categories as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is credited to the Statement of Financial Performance.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost.

Other financial assets

These include loans receivable and initially measured at fair value plus transaction costs that are directly attributable to the acquisition and subsequently measured at amortised cost.

1.12. Leases

Finance leases - lessee

Initial recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through the lease agreement. Assets subject to finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Subsequent measurement

Subsequent to initial recognition the finance lease liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

Finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

Operating leases - lessor

For those leases classified as operating leases the asset subject to the lease is not derecognised and no lease receivable is recognised at the inception of the lease.

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the straight-lined lease payments and the contractual lease payments are

recognised as either an operating lease asset or operating lease liability.

An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases - lessee

Assets subject to operating leases, i.e. those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.13. Inventories

Initial recognition and measurement

Inventories are initially measured at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their required location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is being measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Where inventory is acquired for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Subsequent measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress (WIP) and finished goods (FG), are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Derecognition

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.14 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.15. Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

Post-employment benefits

The entity provides post-employment benefits for its officials. These benefits are provided as either defined contribution plans or defined benefit plans. The entity identifies as defined contribution plans any post-employment plan in terms of which it has no obligation to make further contributions to the plan over and above the monthly contributions payable on behalf of employees (for example in the event of a funding shortfall). Any other plans are considered to be defined benefit plans.

Defined contribution plans

Contributions made towards the fund are recognised as an expense in the Statement of Financial Performance in the period that such contributions become payable. This contribution expense is measured at the undiscounted amount of the contribution paid or payable to the fund. A liability is recognised to the extent that any of the contributions have not yet been paid. Conversely an asset is recognised to the extent that any contributions have been paid in advance.

Post-retirement Medical Obligations

The municipality provides post-retirement medical benefits by subsidising the medical contributions of certain retired staff members according to the rules of the medical aid funds. Council pays 70% of the contributions and the remaining 30% is paid by the members.

The entitlement to post-retirement medical benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations, in accordance with GRAP 25 - "Employee Benefits". The plan is unfunded.

The contributions are recognised in the statement of financial performance when the employees have

rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method.
The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value of the plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of minimum funding requirements. Payments made by the municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries, and are recognised in the Statement of Financial Performance upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.16. Provisions and contingencies

Provisions are recognised when:

a) the municipality has a present obligation as a result of a past event;
b) it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
c) a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditure for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

1.17. Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

Recognition

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
b) The amount of revenue can be measured reliably; and
c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services.

Specific exchange revenue sources

Service charges relating to electricity and water are based on consumption. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Electricity meters in industrial areas are read at the end of each month and billed the following month. Premises with high- tension electricity supplies are read and billed monthly.

Revenue arising from the consumption of electricity and water in the month of June is fully accounted for whether invoiced or not.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. At reporting date, an estimate of the prepaid electricity consumed is made and revenue is adjusted accordingly. The estimate is based on trend analysis and historical data of electricity consumption.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff. Tariffs are determined per category of property usage and are levied on a monthly based.

Rental income arising on facilities and equipment is accounted for on a straight-line basis over the lease terms on on-going leases.

License fees and permits are recognised in accordance with the substance of the agreements entered into.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and rebates.

1.18. Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Recognition

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount and once all the following criteria have been satisfied:
a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
b) The amount of revenue can be measured reliably; and
c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Council applies a flat rating system. The same rate factor is applied for land and buildings. In terms of this system, assessment rates are levied on the value of land and buildings in respect of properties. Rebates are granted according to the use of the property concerned. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines are recognised when it is probable that future economic benefits will flow to the entity, the costs can be reliably measured and all restrictions have been complied with. Fines constitute both spot fines and summonses. Revenue from spot fines is recognised when payment is received and the revenue from the issuing of summonses is recognised when collected. Due to the various legal processes that can apply to summonses and the inadequate information available from the courts, it is not possible to

measure this revenue in the invoicing period.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect of related conditions.

Measurement

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from a non-exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue in full when the asset is recognised, at an amount equalling the fair value of the asset received.
Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

1.19. Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.20. Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No.56 of 2003), and includes:

a) overspending of the total amount appropriated in the municipality's approved budget;
b) overspending of the total amount appropriated for a vote in the approved budget;
c) expenditure from a vote unrelated to the department or functional area covered by the vote;
d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
f) a grant by the municipality otherwise than in accordance with this Act;

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21. Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22. Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.23. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and other entity are subject to common control.

Transactions between related parties other than transactions that would occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual or entity at arm's length in the same circumstances are disclosed within the annual financial statements.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.24. Taxes - Value added tax

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.25. Capital commitments

Capital commitments disclosed in the financial statements represents the contractual balance committed to the capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.26. Consumer deposits

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in-line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

2. Post-reporting date events

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.
Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that is indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non- disclosure could influence the economic decisions of users taken on the basis of the financial statements.

3. New standards and Interpretations

3.1 Standards and Interpretations in the current year

The municipality has adopted the following standards and interpretations:

Standard / Interpretation	Effective date: Years beginning on or after	Expected impact:
IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2016	The impact of the amendment is not material.

GRAP 16 (as amended 2015): Investment Property	01 April 2016	The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements.
GRAP 17 (as amended 2015): Property, Plant and Equipment	01 April 2016	The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements.

3.2 Standards and Interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods:

Standard / Interpretation	Effective date: Years beginning on or after	Expected impact:
GRAP 18: Segment Reporting	01 April 2017	No significant effect
GRAP 20: Related Parties	01 April 2017	No significant effect
GRAP 109: Accounting by Principals and Agents	01 April 2017	The impact of the amendment is not material.
GRAP 21 (as amended 2015): Impairment of non-cash generating Assets	01 April 2017	The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements.
GRAP 26 (as amended 2015): Impairment of cashgenerating Assets	01 April 2017	The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements.
Directive 12: The Selection of an Appropriate	01 April 2018	The impact of the amendment is

Reporting Framework by Public Entities		not material.

Possible impact of initial application of standards of GRAP approved but not yet effective

GRAP 18: Segment Reporting – It is expected that this will only result in additional disclosures without affecting the underlying accounting.

GRAP 20: Related Parties - No significant impact is expected as the information is to a large extent already included in the financial statements.

GRAP 109: Accounting by Principals and Agents – No significant impact is expected as no such transactions or events are expected in the foreseeable future.

GRAP 21 (as amended 2015): Impairment of non-cash-generating Assets – No significant impact is expected as no such transactions or events are expected in the foreseeable future.

GRAP 26 (as amended 2015): Impairment of cash-generating Assets – No significant impact is expected as no such transactions or events are expected in the foreseeable future.

Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities – No significant impact is expected as no such transactions or events are expected in the foreseeable future.

	2017 R	2016 R (Restated)

4 Other financial assets

Amortised cost

Long term loans	9 654	12 749

This loan is for a sport club and is repayable in monthly instalments over a period of twenty years. It has a fixed interest rate of 5% and will be fully redeemed in April 2020.
This loan is not secured

	2017	2016
Opening Balance	12 749	15 692
Interest accrued	567	719
Installments	(3 662)	(3 662)
Closing Balance	9 654	12 749

	2017	2016
Non-current assets		
Amortised cost	6 401	9 655
Current assets		
Amortised cost	3 253	3 094
	9 654	12 749

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2017 and 2016, as all the financial assets were disposed of at their redemption date.

Loans and receivables past due but not impaired

Loans and receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2017 - Rnil (2016 - Rnil) were past due but not impaired.

5 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2017

	Financial assets at amortised cost	Total
Other financial assets	9 654	9 654
Other receivables from exchange transactions	1 051 029	1 051 029
Other receivables from non-exchange transactions	6 414 873	6 414 873
Cash and cash equivalents	6 928 628	6 928 628
Trade receivables from exchange transactions	22 444 353	22 444 353
	36 848 537	36 848 537

2016

	Financial assets at amortised cost	Total
Other financial assets	12 749	12 749
Other receivables from exchange transactions	1 148 855	1 148 855
Other receivables from non-exchange transactions	5 535 910	5 535 910
Cash and cash equivalents	14 112 575	14 112 575
Trade receivables from exchange transactions	18 694 127	18 694 127
	39 504 216	39 504 216

	2017 R	2016 R (Restated)

6 Inventories

	2017 R	2016 R (Restated)
Housing in process	55 080	55 080
Consumable stores	766 675	710 275
Water	136 532	106 106
	958 287	**871 461**

Stores issues amounted to R 1 557 605 and R 1 557 102 (2016).
No inventory write downs were required for the year.
No inventory were pledged as security.
No amount included in inventory is carried at current replacement cost or NRV.

7 Other receivables from exchange transactions

	2017 R	2016 R (Restated)
Deposits	725 123	695 169
Government Grants and Subsidies	158 842	158 842
Other receivables	29 933	166 081
Incorrect bank debit	1 950	
Prepayments	165 114	158 696
Provision for bad debts: Other Receivables	(29 933)	(29 933)
	1 051 029	**1 148 855**

The ageing of other receivables from exchange transactions and not impaired is as follows:

	2017 R	2016 R (Restated)
Current (0-30days)	1 950	39 374
31-60 days		136 148
61-90 days		
91-120 days	165 114	
> 121 days	883 965	973 333
	1 051 029	**1 148 855**

Other receivables pledged as security

Other receivables were not pledged as security.
Other receivables is a financial assets at amortised cost

Credit quality of other receivables from exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to historical trends and other available information.
Although credit quality can be assessed the municipality did not apply any methods to evaluate the credit quality.

	2017 R	2016 R (Restated)
8 Other receivables from non-exchange transactions		
Property rates	4 665 303	5 373 267
Other receivables	1 749 570	162 643
	6 414 873	**5 535 910**
Prior period adjustment		
Balance previously reported		5 407 784
2016: Erven 546/6 and 546/7 incorrectly levied for rates - not in BCRM area		(3 861)
Earlier than 2016: Property Rates tariff for Parks not charged as for other Government properties		157 067
Earlier than 2016: Erven 546/6 and 546/7 incorrectly levied for rates - not in BCRM area		(25 029)
Earlier than 2016: Erf 553 - Vacant erf in Cookhouse - service charges incorrectly levied		(51)
		5 535 910
Property rates		
Property rates	7 034 278	7 449 637
Provision for bad debts: Property rates	(2 368 975)	(2 076 370)
	4 665 303	**5 373 267**
Property rates age analysis		
Current (0-30days)	382 896	312 192
31-60 days	57 504	58 709
61-90 days	40 198	25 086
91-120 days	34 048	22 887
> 121 days	6 519 632	7 030 763
	7 034 278	**7 449 637**

Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to historical trends and other available information.
Although credit quality can be assessed the municipality did not apply any methods to evaluate the credit quality.

	2017 R	2016 R
Allowance for impairment: Property rates		
Impairment balance prior year	(2 076 370)	(1 989 140)
Contributions to provision	(296 578)	(323 963)
Debt impairment written off against provision	3 973	236 733
	(2 368 975)	**(2 076 370)**

Other receivables

	2017 R	2016 R
Other receivables		
Employees overpayment on backpay	231 831	231 831
Provision for bad debts: Employees overpayment	(231 831)	(231 831)
Legal costs: Santam	1 579 168	
Insurance claims	17 121	17 121
Provision for bad debts: Insurance claims	(17 121)	(17 121)
Employee overpayments	61 891	50 715
SARS UIF paid for Councillors	108 511	108 511
Other		3 417
	1 749 570	**162 643**

As at 30 June 2017, other receivables from non-exchange transactions of R3 973 (2016: R236 733) were impaired and provided for.
The amount of the provision for Property Rates bad debts was R 2 368 975 as at 30 June 2017 (2016: R 2 076 370).
The amount of the provision for other receivables was R248 952 as at 30 June 2017 (2016: R248 952)
Other receivables from non-exchange transactions is a financial assets at amortised cost.
Other receivables from non-exchange transactions were not pledged as security.

Other receivables from non-exchange transactions past due but not impaired

The ageing of amounts for property rates past due but not impaired is as follows:

	2017 R	2016 R
1 month past due	284 078	58 709
2 months past due	55 868	24 587
3 months past due	37 915	21 919
Older than 3 months	4 201 798	4 827 735
	4 579 659	**4 932 950**

Other receivables from non-exchange transactions past due but not impaired

	2017 R	2016 R
Older than 4 months	170 051	139 116
	170 051	**139 116**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)

9 Trade receivables from exchange transactions

	2017 R	2016 R (Restated)
Gross balances		
Electricity	18 449 418	13 535 779
Water	13 889 104	11 325 733
Sanitation	1 853 112	1 665 046
Sewerage	5 455 647	4 973 778
Refuse	9 905 456	8 937 865
Other	1 317 094	1 184 509
	50 869 831	**41 622 710**

Trade receivables pledged as security

Trade receivables were not pledged as security.
Trade receivables is a financial assets at amortised cost.

	2017 R	2016 R (Restated)
Prior period adjustment		
Balance previously reported		41 768 581
2016: Electricity reading for June 2016 was kept the same as for May 2016		7 591
2016: Wrong electricity meter readings in June 2016		(110 631)
2016: Electricity meter was removed and still levied for basic charge and units which were estimated		(21 446)
2016: Vacant erf 553 Cookhouse service charges for water, sewerage and refuse		(3 647)
Earlier than 2016: Vacant erf 553 incorrectly service charges raised for water, sewerage and refuse		(17 738)
		41 622 710

	2017 R	2016 R (Restated)
Less: Allowance for impairment		
Electricity	(3 945 869)	(2 001 675)
Water	(10 035 351)	(8 000 472)
Sanitation	(1 621 742)	(1 454 256)
Sewerage	(4 059 521)	(3 661 374)
Refuse	(7 725 008)	(6 898 536)
Other	(1 037 987)	(912 270)
	(28 425 478)	**(22 928 583)**

	2017 R	2016 R (Restated)
Net balance		
Electricity	14 503 549	11 534 104
Water	3 853 753	3 325 261
Sanitation	231 370	210 790
Sewerage	1 396 126	1 312 404
Refuse	2 180 448	2 039 329
Other	279 107	272 239
	22 444 353	**18 694 127**

	2017 R	2016 R (Restated)
Electricity		
Current (0 -30 days)	9 893 779	8 128 042
31 - 60 days	1 543 048	1 355 913
61 - 90 days	880 200	560 545
91 - 120 days	686 055	595 501
>121 days	5 446 336	2 895 778
	18 449 418	**13 535 779**

	2017 R	2016 R (Restated)
Water		
Current (0 -30 days)	1 888 972	1 447 967
31 - 60 days	514 003	506 042
61 - 90 days	321 243	236 624
91 - 120 days	350 218	235 848
>121 days	10 814 668	8 899 252
	13 889 104	**11 325 733**

	2017 R	2016 R (Restated)
Sanitation		
Current (0 -30 days)	42 142	41 072
31 - 60 days	16 074	14 352
61 - 90 days	15 414	14 373
91 - 120 days	15 032	13 958
>121 days	1 764 450	1 581 291
	1 853 112	**1 665 046**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)
9 Trade receivables from exchange transactions (continued)		
Sewerage		
Current (0 -30 days)	652 092	552 271
31 - 60 days	154 327	154 717
61 - 90 days	119 486	114 895
91 - 120 days	110 861	100 751
>121 days	4 418 881	4 051 144
	5 455 647	**4 973 778**
Refuse		
Current (0 -30 days)	917 944	786 805
31 - 60 days	229 367	218 168
61 - 90 days	190 991	176 630
91 - 120 days	180 176	162 981
>121 days	8 386 976	7 593 281
	9 905 456	**8 937 865**
Other		
Current (0 -30 days)	55 902	78 145
31 - 60 days	17 179	34 877
61 - 90 days	26 917	18 141
91 - 120 days	25 083	20 980
>121 days	1 192 013	1 032 366
	1 317 094	**1 184 509**

Summary of debtors by customer classification

	2017 R	2016 R
Consumers		
Current (0 -30 days)	13 450 831	11 034 302
31 - 60 days	2 473 998	2 284 069
61 - 90 days	1 554 251	1 121 208
91 - 120 days	1 367 425	1 130 019
>121 days	32 023 326	26 053 112
	50 869 831	41 622 710
Less: Allowance for impairment	(28 425 478)	(22 928 583)
	22 444 353	**18 694 127**

Reconciliation of debt impairment provision

	2017 R	2016 R
Balance at beginning of the year	(22 928 583)	(21 851 546)
Contributions to provision	(8 587 056)	(4 939 322)
Debt relief project	690 106	15 928
Debt impairment written off against provision	2 400 055	3 846 357
	(28 425 478)	**(22 928 583)**

Fair value of trade receivables from exchange transactions

	2017 R	2016 R
Trade receivables from exchange transactions	**22 444 353**	**18 694 127**

The fair value has been determined by using the face value of the outstanding capital.

Trade receivables impaired

As at 30 June 2017, consumer debtors of R2 400 055 (2016: R 3 846 357) were impaired and provided for.
The amount of the provision was R28 425 478 as at 30 June 2017 (2016: R 22 928 583).

Trade receivables from exchange transactions past due but not impaired

The ageing of amounts for exchange transactions past due but not impaired is as follows:

	2017 R	2016 R
1 month past due	6 705 249	2 064 723
2 months past due	2 017 495	963 184
3 months past due	1 187 369	937 502
Older than 3 months	2 398 021	7 705 012
	12 308 134	**11 670 421**

Credit quality of receivables from exchange transactions

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to historical trends and other available information.
Although credit quality can be assessed the municipality did not apply any methods to evaluate the credit quality.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)

10 Cash and cash equivalents

Cash and cash equivalents consist of:

	2017	2016
Cash on hand	4 330	1 690
Bank balances	3 463 897	1 449 857
Short-term deposits	3 460 401	12 661 028
	6 928 628	**14 112 575**

No restrictions exist with regard to the use of cash.

Cash and cash equivalents pledged as collateral

No cash and cash equivalents (or portions thereof) was pledged as security for any financial liabilities.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
ABSA Bank - Fixed deposit - 2053825035	7 500	7 500	7 500	7 500	7 500	7 757
ABSA Bank - Call account - 9067623600			10 124 481			10 143 224
Nedbank - Money market - 1263036023	4 378	4 751	5 123	4 378	4 751	5 123
Nedbank - Fixed deposit - 18312491	4 600	4 600	4 600	4 600	4 600	4 600
Nedbank - Money market - 1263034756	76 302	73 212	70 706	76 302	73 212	70 706
Nedbank - 12 month Fixed deposit - 37881100877		4 000 000			4 236 575	
ABSA - Cheque account - 2200000008	1 004 020	168 786	476 471	1 004 020	168 788	627 873
ABSA - Cheque account - 4064779134			-			-
FNB - Cheque account - 62541421046	2 604 374	1 185 300	254 711	2 459 877	1 281 069	254 711
ABSA - Cheque account - 4061722786			(4 541)			3 152
FNB - Call account - 6259597005	3 367 621	8 334 390	-	3 367 621	8 334 390	-
Total	**7 068 795**	**13 778 541**	**10 939 051**	**6 924 298**	**14 110 885**	**11 117 146**

The municipality has a guarantee at ABSA bank to the value of R6 000 (2016: R6 000) relating to the personal bonds of one municipal employee.

	2017 R	2016 R (Restated)

11 Investment property

	2017 Cost/ Valuation	2017 Accumulated depreciation/ impairment	2017 Carrying Value	2016 Cost/ Valuation	2016 Accumulated depreciation/ impairment	2016 Carrying Value
	R		R	R		R
Investment property	25 865 145	(473 627)	25 391 518	25 921 644	(414 423)	25 507 221

Reconciliation of investment property - 2017

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
	R	R	R	R	R	R	R
Investment properties: Land	19 532 544		(56 500)				19 476 044
Farms	4 613 000						4 613 000
Buildings	1 361 677				(59 203)		1 302 474
	25 507 221		(56 500)		(59 203)		25 391 518

Reconciliation of investment property - 2016

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
	R	R	R	R	R	R	R
Investment properties: Land	19 532 544						19 532 544
Farms	4 613 000						4 613 000
Buildings	1 420 880				(59 203)		1 361 677
	25 566 424				(59 203)		25 507 221
							0

Prior period adjustment

Balance as previously reported	95 004 215

Change in Accounting Policy

The Municipality has retrospective implemented Directive 11 being the Changes in measurement bases following the initial adoption of standards of GRAP. Directive 11 has been elects to change the measurement bases selected for all Land and Buildings assets on the initial adoption of Standards of GRAP from the fair value method to the cost method. The application of the new accounting policy will provide the municipality with more reliable, relevant and consistent financial information.
During the previous years, the municipality could not get reliable re-valuation methods to use each year and this lead to huge increases in the Fair value adjustments. Management then made a decision that the fair value method was inappropriate and need to change to the costing method by using Directive 7 issued in December 2009 and the approved valuation roll of 2006 which was the closest before implementing the GRAP standards.Therefore the following adjustments were made:

2016:	Reversal of Gain on re-valuation.	(25 455 917)
2016:	Depreciation on buildings not calculated.	(59 203)
Earlier than 2016:	Nett change on carrying value	(43 529 974)
Earlier than 2016:	Incorrectly included erven under Land in Investment Property. Not municipal property as per deeds office information	(344 350)
Earlier than 2016:	Incorrectly included erf 420 (Somerset East) in Investment Property - Buildings. Not municipal property	(107 550)
		25 507 221

Rental revenue from investment property: R139 654 (2016: R132 788)
Direct operating expenses arising from investment property that generated rental revenue: Rnil (2016: Rnil)

Pledged as security

No investment property have been pledged as security for loans

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016
	R	R (Restated)

12 Property, plant and equipment

	2017 Cost/ Valuation	2017 Accumulated depreciation/ impairment	2017 Carrying Value	2016 Cost/ Valuation	2016 Accumulated depreciation/ impairment	2016 Carrying Value
	R	R	R	R	R	R
Land	20 129 272	-	20 129 272	20 129 272		20 129 272
Buildings	151 646 033	(78 507 608)	73 138 425	143 928 674	(75 015 857)	68 912 817
Plant and equipment	1 539 650	(1 042 419)	497 231	1 531 917	(864 507)	667 410
Furniture and fixtures	4 547 117	(3 001 274)	1 545 843	4 541 041	(2 596 193)	1 944 848
Motor vehicles	18 892 452	(6 045 360)	12 847 092	18 950 533	(4 177 630)	14 772 903
Office equipment	6 161 179	(4 398 979)	1 762 200	6 641 053	(4 434 265)	2 206 788
Infrastructure	904 013 869	(466 120 112)	437 893 757	883 160 629	(438 405 166)	444 755 463
WIP	17 360 249	-	17 360 249	29 695 665		29 695 665
Landfill sites	17 994 300	(10 246 924)	7 747 376	17 994 300	(8 361 281)	9 633 019
Total	**1 142 284 121**	**(569 362 676)**	**572 921 445**	**1 126 573 084**	**(533 854 899)**	**592 718 185**

Reconciliation of Work in Progress (WIP) - 2017

	Opening balance	Additions	Transfers	Total
	R	R	R	R
Infrastructure assets	25 522 236	11 123 913	(20 509 862)	16 136 287
Community assets	3 654 315	4 314 991	(7 623 384)	345 922
Vehicles		119 780		119 780
PPE - Buildings	519 114	333 122	(93 976)	758 260
	29 695 665	**15 891 806**	**(28 227 222)**	**17 360 249**

Expenditure incurred to repair and maintain property, plant and equipment included in the Statement of Financial Performance

	2017	2016
Repairs and Maintenance	2 917 877	3 543 168

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
	R	R	R	R	R	R	R
Land	20 129 272						20 129 272
Buildings	68 912 817			7 717 359	(3 491 751)		73 138 425
Plant	667 410	15 484			(185 663)		497 231
Furniture and fixtures	1 944 848	17 270	(6 965)		(409 309)		1 545 844
Motor vehicles	14 772 903	282 927	(174 575)		(2 034 163)		12 847 092
Office equipment	2 206 788	544 347	(104 822)		(884 112)		1 762 201
Infrastructure	444 755 463			20 509 863	(27 371 571)		437 893 755
WIP	29 695 665	15 891 806		(28 227 222)			17 360 249
Landfill sites	9 633 019				(1 885 643)		7 747 376
Total	**592 718 185**	**16 751 834**	**(288 362)**	**-**	**(36 262 212)**	**-**	**572 921 445**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
	R	R	R	R	R	R	R
Land	20 129 272						20 129 272
Buildings	69 757 618			2 464 566	(3 309 367)		68 912 817
Plant and equipment	723 485	131 759	(4 394)		(183 440)		667 410
Furniture and fixtures	2 096 788	266 697	(543)		(418 094)		1 944 848
Motor vehicles	13 492 913	2 989 339	(301 749)		(1 407 600)		14 772 903
Office equipment	2 571 640	532 228	(48 452)		(848 628)		2 206 788
Infrastructure	468 548 019			2 867 659	(26 660 215)		444 755 463
WIP	26 629 412	8 398 478		(5 332 225)			29 695 665
Landfill sites	11 518 662				(1 885 643)		9 633 019
Total	**615 467 809**	**12 318 501**	**(355 138)**	**-**	**(34 712 987)**	**-**	**592 718 185**

Prior Period adjustment

Balance previously reported	592 086 523
2016: Depreciation not included for Road (FAR_7160), wrongly deleted in assets register	(28 618)
2016: Depreciation incorrectly calculated on Erf 2302 - Not Municipality property	10 067
Earlier than 2016: Carrying value of Erf 2302 incorrectly included in PPE. Not Municipality property	(150 999)
Earlier than 2016: Carrying value of Road (FAR_7160) wrongly deleted in assets register	801 212
	592 718 185

Assets subject to finance lease (Net carrying amount)

	2017	2016
Vehicles and Plant	2 343 542	3 134 839
Office equipment		233 444
	2 343 542	**3 368 283**

See note 17 on finance leases for assets held under finance lease.

No property, plant and equipment has been pledged as security for liabilities

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)

13 Intangible assets

	2017 Cost/ Valuation R	2017 Accumulated amortisation/ impairment R	2017 Carrying Value R	2016 Cost/ Valuation R	2016 Accumulated amortisation/ impairment R	2016 Carrying Value R
Computer software	18 765	(16 527)	2 238	18 765	(11 836)	6 929

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Computer software	6 929		-	-	(4 691)	-	2 238

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Computer software	11 620		-	-	(4 691)	-	6 929

Other information

Fully amortised intangible assets still in use

Certain computer software packages (not material to the municipality's operations) with finite useful lives which have been fully depreciated are still in use by the municipality to some extent.

14 Heritage assets

	2017 Cost/ Valuation R	2017 Accumulated amortisation/ impairment R	2017 Carrying Value R	2016 Cost/ Valuation R	2016 Accumulated amortisation/ impairment R	2016 Carrying Value R
	458 067		458 067	458 067		458 067

Reconciliation of heritage assets - 2017

Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
458 067		-	-	-	-	458 067

Reconciliation of heritage assets - 2016

Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
458 067	-	-	-	-	-	458 067

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)

15 Employee benefit obligations

15.1 Post-Employment Medical Aid

Defined benefit plan

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical scheme.

In-service members will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medicial scheme at retirement.

All continuation members and their eligible dependents receive a subsidy of either 60% or 70%.

Upon a member's death-in-service or death-in-retirement the surviving dependants will continue to receive the same between 60% and 70% subsidy.

All subsidies are subject to a maximum of R3 942 for the year ending 30 June 2018. The maximum subsidy amount has been assumed to increase in the future at 75% of salary inflation.

Principal assumptions

Discount rate
Grap 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefits payments , current market rates of the appropriate term should be used to discount shorter term payments and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 9.69% per annum has been used. The corresponding index-linked yield at this term is 2.54%. These rates do not reflect any adjustment for taxation. These rates were deducted from the yield curve obtained from the Johannesburg stock after the market close on 30 June 2017.

These rates are calculated by using a liability-weighted average of yields for the three components of the liability. Each component's fixed-interest and index-linked yield was taken from the bond yield curve at that component's duration, using an iterative process.

Financial assumptions	
Discount rate	9.69%
Health care cost inflation rate	7.98%
Nett effective discount rate	1.58%

The next contribution rate increase is assumed to occur at 1 January 2018.

Demographic assumptions	
Average retirement age	63 (males)/ 58 (Females)
Continuation of membership at retirement	100%
Proportion assumed married at retirement	70%

Accrued liability Values

Carrying value		
Opening Accrued Liability	20 418 161	19 561 570
Service cost	958 405	1 005 728
Interest cost	1 852 671	1 701 268
Benefits paid	(602 724)	(508 224)
Actuarial gain recognised in the year	(885 788)	(1 342 181)
Closing Accrued Liability	**21 740 725**	**20 418 161**
Non-current liabilities	21 017 857	19 917 797
Current liabilities (Estimate of benefits payments expected in the next annual period)	722 868	500 364
	21 740 725	**20 418 161**

The total liability has increased by 6.4% (or R1 322 564) since the last valuation

The extent of unexpected increases or decreases in the liability over the period from the previous valuation date to the current can be summarised in the following main components:

Actuarial Gain for the period	**(885 789)**
Contribution to Actuarial Gain:	
Basis changes: Increase in net discount rate	(2 388 147)
Subsidy increases lower than assumed	(14 528)
Actual benefits vesting , greater than expected	102 360
Changes to membership profile different from assumed	1 414 526

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)

15.1 Post-Employment Medical Aid (continue)

Net expense recognised in the statement of financial performance

	2017 R	2016 R (Restated)
Current service cost	958 405	1 005 728
Benefits paid	(602 724)	(508 224)
Total included in employee related costs	**356 681**	**497 504**
Actuarial Gain recognised in statement of financial performance	**(885 788)**	**(1 342 181)**
Interest cost included in Finance costs	**1 852 671**	**1 701 268**
	1 322 564	**856 591**
Estimate of contributions expected to be paid to the plan in the next financial year	**(722 868)**	**(600 364)**

Sensitivity analysis on the accrued liability (R millions)

Assumption	Change	In-service	Continuation	Total	% change
Central Assumptions		11.956	9.785	21.741	
Health care inflation	1%	13.040	10.451	23.491	8%
	-1%	10.654	9.046	19.700	-9%
Discount Rate	1%	10.248	8.919	19.167	-12%
	-1%	14.092	10.809	24.901	15%
Post-retirement mortality	-1yr	12.300	10.121	22.421	3%
Average retirement age	-1yr	12.921	9.785	22.706	4%
Continuation of membership at retirement	-10%	10.800	9.785	20.585	-5%

Sensitivity analysis on Current-service and Interest Costs for the year ending 30/06/2017

Assumption	Change	Current-Service Cost	Interest Cost	Total	% change
Central Assumptions		958 400	1 852 700	2 811 100	
Health care inflation	+1%	1 058 600	2 031 100	3 089 700	10%
	-1%	832 700	1 653 700	2 486 400	-12%
Discount Rate	+1%	800 500	1 793 200	2 593 700	-8%
	-1%	1 161 700	1 911 000	3 072 700	9%
Post-retirement mortality	-1yr	988 900	1 919 600	2 908 500	3%
Average retirement age	-1yr	913 600	1 907 100	2 820 700	0%
Continuation of membership at retirement	-10%	865 500	1 726 500	2 592 000	-8%

History of liabilities, Assets and Experienced Adjustments (R millions)

Liability History	30/06/2013	30/06/2014	30/06/2015	30/06/2016	30/06/2017
Accrued liability	13.661	16.235	19.562	20.418	21.741
Fair value of plan asset	0.000	0.000	0.000	0.000	0.000
Surplus/(Deficit)	**(13.661)**	**(16.235)**	**(19.562)**	**(20.418)**	**(21.741)**

History of experience adjustments: Gains and Losses (R millions)

Experience adjustments	30/06/2013	30/06/2014	30/06/2015	30/06/2016	30/06/2017
Liabilities: (Gain)/Loss	(1.754)	0.346	1.321	(0.086)	1.502
Assets: Gain/(Loss)	0.000	0.000	0.000	0.000	0.000

	2017 R	2016 R (Restated)

15.2 Long Service Awards (LSA)

Defined benefit plan

The Municipality offers employees LSA for every five years of service completed, to 45 years of service, inclusive.
In the month that each "Completed Service" milestone is reached, the employee is granted a LSA.

Principal assumptions

Discount rate
Grap 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated be extrapolating current market rates along the yield curve.

Consequently, a discount rate of 8.30% per annum has been used. The corresponding index-linked yield at this term is 2.55%. These rates do not reflect any adjustment for taxation. These rates were deducted from the yield curve obtained from Johannesburg stock after the market close on 30 June 2017.

The liability-weigthed average term of the total liability is 5.89 years.

Financial assumptions

Discount rate	8.30%
General salary inflation	6.12%
Nett discount rate	2.05%

The next contribution rate increase is assumed to occur at 1 July 2018.

Demographic assumptions

Average retirement age	63 (males)/ 58 (Females)

Accrued liability Values

	2017 R	2016 R (Restated)
Carrying value		
Opening Accrued Liability	3 869 246	3 660 791
Service cost	514 686	472 879
Interest cost	307 575	279 206
Expected Benefit Vestings	(448 287)	(523 318)
Actuarial (gain) / loss recognised in the year	(306 253)	(20 312)
Closing Accrued Liability	**3 936 967**	**3 869 246**
Non-current liabilities	3 401 361	3 420 959
Current liabilities (Estimate of benefits payments expected in the next annual period)	535 606	448 287
	3 936 967	3 869 246

The total liability has increased by 1.75% (or R67 721) since the last valuation

The extent of unexpected increases or decreases in the liability over the period from the previous valuation date to the current can be summarised in the following main components:

Actuarial (Gain)/Loss for the period	**(306 253)**
Contribution to Actuarial (Gain)/Loss:	
Basis changes: Increase in net discount rate	(177 934)
Salary increases higher than assumed	79 985
Changes to membership profile different from assumed	(208 304)

Net expense recognised in the statement of financial performance

	2017 R	2016 R (Restated)
Current service cost	514 686	472 879
Benefit Vestings	(448 287)	(523 318)
Total included in employee related costs	**66 399**	**(50 439)**
Actuarial Gain recognised in statement of financial performance	**(306 253)**	**(20 312)**
Interest cost included in Finance costs	**307 575**	**279 206**
	67 721	208 455
Estimate of benefit vestings in the next financial year	**(535 606)**	**(448 287)**

	2017 R	2016 R (Restated)

15.2 Long Service Awards (LSA) (Continued)

Sensitivity analysis on the accrued liability (R millions)

Assumption	Change	Liability	% Change
Central Assumptions		3.937	
General salary inflation	1%	4.152	5%
	-1%	3.741	-5%
Discount Rate	1%	3.731	-5%
	-1%	4.167	6%
Average retirement age	-2yr	3.460	-12%
	2yr	4.473	14%
Withdrawal rates	-50%	4.278	9%

Sensitivity analysis on Current-service and Interest Costs for the year ending 30/06/2017

Assumption	Change	Current-Service Cost	Interest Cost	Total	% change
Central Assumptions		514 700	307 600	822 300	
General salary inflation	1%	554 300	326 000	880 300	7%
	-1%	479 200	290 800	770 000	-6%
Discount Rate	1%	481 900	324 200	806 100	-2%
	-1%	551 900	288 600	840 500	2%
Average retirement age	-2yr	474 300	264 200	738 500	-10%
	2yr	568 400	351 500	919 900	12%
Withdrawal rates	-50%	598 700	337 600	936 300	14%

History of liabilities, Assets and Experienced Adjustments (R millions)

Liability History	30/06/2016	30/06/2017
Accrued liability	3.869	3.937
Fair value of plan asset	0.000	0.000
Surplus/(Deficit)	**(3.869)**	**(3.937)**

History of experience adjustments: Gains and Losses (R millions)

Experience adjustments	30/06/2017
Liabilities: (Gain)/Loss	0.128
Assets: Gain/(Loss)	0.000

	2017 R	2016 R (Restated)
Total Employee benefit obligations		
Post-Employment Medical Aid	21 740 725	20 418 161
Long Service Awards	3 936 967	3 869 246
	25 677 692	**24 287 407**
Non-current liabilities	24 419 218	23 338 756
Current liabilities	1 258 474	948 651
	25 677 692	**24 287 407**
Prior period adjustment		
Balance previously reported		20 418 161
2016: Movement of Long Service Awards not previously calculated and provided for in 2015/16		208 455
Earlier than 2016: Long Service Wards not calculated and provided for as a Employee benefit obligation		3 660 791
		24 287 407

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)
16 Other financial liabilities		
Held at amortised cost		
Standard Bank	2 779 316	3 300 000
Absa Bank loans	8 584 300	11 560 140
	11 363 616	**14 860 140**

A loan of R2,5 million was taken up from ABSA Bank on 06/06/2012. The final installment of R321 680.34 (9.74%) was paid in June 2017 and which was paid over a period of 5 years.
A Further loan from ABSA was taken up on 5 June 2015 for R13 000 000 at a fixed interest rate of 9.62%. Installments of R1 675 282 will be semi-yearly payable.
The Municipality budgeted to redeem this loan in full on 30 November 2015 but because of a cash shortage it was not possible.
On 30 June 2016, a loan of R3 300 000 was also taken up from Standard Bank for the financing of vehicles purchased during the year at a fixed interest rate of 11.55%. Instalments of R443 645 will be semi-yearly payable.

No defaults or breaches or re-negotiations of the terms and conditions occurred during the year.

The ABSA Bank loans are not secured, but the following covenants are applicable for the R13 000 000 loan:

1. Consumer debtor's collection rate to be maintained at >65%,
2. Net cash from operating activities to interest bearing debt not to deteriorate below 60%, and
3. Total interest bearing debt to annual operating revenue not to exceed 40%.

The Standard Bank loan is not secured , but the following covenants are also applicable for the R3 300 000 loan:

1. Debt to Revenue ratio: to be maintained at a level that is less than or equal to 50%.
2. Billings to collection rate to be maintained at a level that is greater than or equal to 87.3%.
3. Interest paid to total cost to be maintained at a level that is less than or equal to 7.5%.

	2017 R	2016 R (Restated)
Non-current liabilities		
At amortised cost	8 134 684	11 382 739
Current liabilities		
At amortised cost	3 228 932	3 477 401
	11 363 616	**14 860 140**
Prior period adjustment		
Non-current liabilities		
At amortised cost - Previous balance at 30 June 2016		2 779 316
2016: Although the Municipality budgeted in 2016 to settle the R13m loan in November 2016, it was not possible because of cash flow concerns		8 603 423
		11 382 739
Prior period adjustment		
Current liabilities		
At amortised cost - Previous balance at 30 June 2016		**12 080 824**
2016: Although the Municipality budgeted in 2016 to settle the R13m loan in November 2016, it was not possible because of cash flow concerns		(8 603 423)
		3 477 401
Opening Balance	14 860 140	14 243 013
Loan received		3 300 000
Interest accrued	1 493 048	1 311 052
Payments	(4 989 572)	(3 993 925)
Closing Balance	**11 363 616**	**14 860 140**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)
17 Finance lease obligation		
Minimum lease payments due		
- within one year	1 055 121	1 430 631
- in second to fifth year inclusive	1 578 738	2 633 859
	2 633 859	4 064 490
less: future finance charges	(345 641)	(642 875)
Present value of minimum lease payments	**2 288 218**	**3 421 615**
Present value of minimum lease payments due		
- within one year	858 589	1 133 396
- in second to fifth year inclusive	1 429 629	2 288 219
	2 288 218	**3 421 615**
Non-current liabilities	1 429 629	2 288 219
Current liabilities	858 589	1 133 396
	2 288 218	**3 421 615**

It is municipality policy to lease certain plant and equipment under finance leases.
The average lease term was 3- 5 years and the average effective borrowing rate was between 9.30% and 9.55% for plant and 14.2% for office equipment. Interest rates are linked to prime at the contract date. No arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to note 12. Property, plant and equipment for the carrying value of assets subject to finance lease.

There are no subleases

Defaults and breaches

There were no default during the period of principal, interest, sinking fund or redemption terms of loans payable.

18 Unspent conditional grants and receipts

	2017	2016
Other grants	**4 197 603**	**6 339 006**

Unfulfilled conditions and other contingencies attaching to government assistance has been recognised as per the following table totalling R4 197 603
Where conditions have been met, the amounts were recognised as revenue and is shown under the transfer columns per the following table.
The municipality complied with all the conditions attached to the grants / allocations.
These amounts are invested in a ring-fenced investment until utilised.

Grant description	Unspent balance 2016	Receipts	Adjustments / written off	Transfer operating expenditure	Transfer capital expenditure	Unspent balance 2017
Municipal Infrastructure Grant (MIG)	5 712 343	13 666 000		(683 300)	(18 695 043)	-
FMG	-	1 625 000		(1 304 494)	(320 506)	-
Youth and other tourism upgrades (SBDM)	-	700 000				700 000
DR WH CRAIB TRUST	13 015					13 015
Fire and Disaster	-	908 000		(472 000)		436 000
Depart Sport: Library admin cost	-	2 300 000		(2 300 000)		-
EPWP	-	1 008 000		(1 008 000)		-
ACIP Water conservation	308 177					308 177
INEP Grant	-	5 000 000			(2 448 500)	2 551 500
Abafazi Rural Project (LED)	150 000			(71 792)		78 208
Resourcing Youth Centre (LED)	102 703					102 703
MRM Programme		8 000				8 000
Craft Project (LED)	52 768			(52 768)		-
	6 339 006	**25 215 000**	-	**(5 892 354)**	**(21 464 049)**	**4 197 603**

The municipality received certain grant allocations during the year from various public entities (amounts disclosed above per project / allocation) - these receipts / grant allocations had to be utilised for the following main purposes:

National Treasury (MIG, EPWP, & FMG) :	Municipal systems improvement and financial management projects and Municipal Infrastructure (MIG)
Sarah Baardman District municipality:	Fire fighting, LED Projects and Moral Regeneration movement (MRM)
Eastern Cape Department of Roads and Public Works:	Labour intensive projects to promote job creation for unemployed people
Department of Sport and Agriculture:	Administration cost for Libraries
INEP	Electricity upgrading

	2017 R	2016 R (Restated)

19 Provisions

Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	23 630 602	2 295 917	-	25 926 519
	23 630 602	2 295 917	-	25 926 519

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	21 622 930	2 007 672	-	23 630 602
	21 622 930	2 007 672	-	23 630 602

	2017	2016
Non-Current liability		
Amortised cost	25 926 519	23 630 602
	25 926 519	23 630 602

Environmental rehabilitation provision

The above rehabilitation provision includes the three towns of Somerset East, Cookhouse and Pearston.

All landfill sites financial implications and valuations are determined in terms of Section 28 of the National Environmental Management Act, Act no. 107 of 1998.

The effective date of all valuations was 30 June 2017 and was done and certified by Mr. S Nel, Professional Engineer, from Bosch Munitech.

In Calculating the provision for rehabilitation, the following have been included:
- Direct contract costs
- Indirect Professionel Fees
- Indirect disbursements
- Escalation

No rehabilitation has taken place on Cookhouse or Pearston landfill sites during the current year, while covering has partly taken place at Somerset East landfill site.

Fencing at Cookhouse (316m) and Pearston (621m) has been vandalised and needs replacing, while aprox 10% of Somerset East (121m) requires replacing.

Monetary values for landfill sites at 30 June 2017:	Cookhouse	R 1 529 513
	Pearston	R 4 307 611
	Somerset East	R 20 089 395
		R 25 926 519

20 Payables from exchange transactions

	2017	2016
Trade payables	14 841 204	13 263 817
Payments received in advanced	530 386	339 644
Accrued leave pay	4 874 660	4 831 608
Accrued 13th cheque	1 675 585	1 641 725
Accrued performance bonus	766 421	575 588
Employee cost in arrears		
Retention on Capital Projects	1 026 734	567 842
Previous employees of Dev Agency	813 694	813 694
Deposits received	160 496	126 382
	24 689 180	22 180 300

Prior period adjustment

	2016
Balance previously reported	21 889 402
2016: Payment of Audit Committee member fees for June 2016 invoice received late	5 500
2016: Payment of Audit Committee member fees for May 2016 invoice received late	14 711
2016: Security duties not paid in previous year because of SCM requirements not adhere to	103 346
2016: Laboratory charges for testing of water samples for chemical analys done in 2015/16	11 454
2016: Acting allowance for PMU Technician who acted as PMU Manager not paid according to legislation	125 504
2016: Invoice from Afrox for Oxygen incorrectly issued and shown under payables for 2015/16	(1 009)
2016: Security duties not paid in previous year because of SCM requirements not adhere to	14 468
2016: Invoice from Afrox for Oxygen incorrectly issued and shown under payables for 2015/16	(141)
2016: Duplicate Town Hall deposit refunded, paid back by recipient in October 2016	(245)
Earlier than 2016: Invoice received for Botha Vervoer Trust invalid, but shown as expenditure in 2014/15	(443)
Earlier than 2016: Invoice received for Botha Vervoer Trust invalid, but shown as expenditure in 2014/15	(3 164)
Earlier than 2016: Acting allowance for PMU Technician who acted as PMU Manager not paid according to legislation	20 917
	22 180 300

	2017 R	2016 R (Restated)

21 Trade and other payables from non-exchange

Trade and other	55 700	254 717

22 VAT payable

VAT	3 074 334	2 754 507

Prior period adjustment

Balance previously reported	2 772 563
2016: Electricity reading for June 2016 was kept the same as for May 2016	932
2016: Wrong electricity meter readings in June 2016	(13 587)
2016: Electricity meter was removed and still levied for basic charge and units which were estimated	(2 634)
2016: Security duties not paid in previous year because of SCM requirements not adhere to	(14 468)
2016: VAT disallowed by SARS on VAT assessment during 2015/16 audit	837
2016: Invoice from Afrox for Oxygen incorrectly issued and shown under payables for 2015/16	141
2016: VAT incorrectly levied on erf 553 - Cookhouse: Vacant erf - no service charges	(259)
Earlier than 2016: VAT incorrectly levied on erf 553 - Cookhouse: Vacant erf - no service charges	(1 646)
Earlier than 2016: VAT disallowed by SARS on VAT assessment during 2015/16 audit	12 185
Earlier than 2016: Invoice received for Botha Vervoer Trust invalid, but shown as expenditure in 2014/15	443
	2 754 507

VAT is payable on the receipts basis. VAT is claimed from and paid over to SARS only once payment is made on a tax invoice or payment is received from debtors.

23 Consumer deposits

Electricity & water	2 421 026	2 462 971

24 Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

	Financial liabilities at amortised cost	Total
2017		
Other financial liabilities	(11 363 616)	(11 363 616)
Finance lease	(2 288 218)	(2 288 218)
Trade and other payables from non-exchange	(55 700)	(55 700)
Payables from exchange transactions	(19 284 134)	(19 284 134)
	(32 991 668)	(32 991 668)
2016		
Other financial liabilities	(14 860 140)	(14 860 140)
Finance lease	(3 421 615)	(3 421 615)
Trade and other payables from non-exchange	(254 717)	(254 717)
Payables from exchange transactions	(17 009 048)	(17 009 048)
	(35 545 520)	(35 545 520)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)
25 Revenue		
Property rates	11 152 026	10 093 914
Service charges	112 032 712	97 320 926
Rental of facilities and equipment	47 053	62 666
Interest received (trading)	3 847 706	3 151 422
Interest received	1 281 204	1 446 111
Income from agency services	885 336	675 918
Fines	71 800	59 980
Licences and permits	831 847	745 197
Government grants and subsidies	72 921 953	70 588 771
Fees earned	498 321	864 125
General	878 481	834 911
Private Work	121 306	182 942
Gains on disposal of assets	65 416	
Gain on investment properties fair valuation		
Other income	2 577 533	733 647
	207 212 694	**186 760 530**
Prior Period adjustment		
Balance previously reported		212 332 893
2016: Change in estimates - Investment properties change from re-valuation model to cost model: Reversal of Gain on re-valuation.		(25 455 918)
2016: Electricity reading for June 2016 was kept the same as for May 2016		6 659
2016: Wrong electricity meter readings in June 2016		(97 044)
2016: Electricity meter was removed and still levied for basic charge and units which were estimated		(18 812)
2016: Erf 553 Cookhouse - Incorrect service charges on Water, Refuse and interest		(3 387)
2016: Erven 546/6 and 546/7 incorrectly levied for rates - not in BCRM area		(3 861)
		186 760 530
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	112 032 712	97 320 926
Rental of facilities & equipment	47 053	62 666
Interest received - trading	3 847 706	3 151 422
Interest received	1 281 204	1 446 111
Income from agency services	885 336	675 918
Licences and permits	831 847	745 197
Fees earned	498 321	864 125
General	878 481	834 911
Private Work	121 306	182 942
Gains on disposal of assets	65 416	
Miscellaneous other revenue	2 123 467	733 647
	122 612 849	**106 017 865**
The amount included in revenue arising from non-exchange transactions is as follows:		
Property rates	11 152 026	10 093 914
Fines	71 800	59 980
Other Income	454 066	
Government grants & subsidies	72 921 953	70 588 771
	84 599 845	**80 742 665**

Collectability of amounts

At the time of initial recognition of revenue it is inappropriate to assume that the collectability of amounts owing by individual recipients of goods and services will not occur due to the fact that the municipality has an obligation to collect all revenue.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)
26 Property rates		
Rates received		
All properties	11 152 026	10 093 914
Valuations		
Agricultural	3 098 032 400	3 101 701 300
Commercial	128 452 850	125 481 150
Government - Infrastructure	1 437 100	1 394 100
Residential	475 218 100	470 754 300
Government - Other	330 342 600	330 342 600
	4 033 483 050	4 029 673 450

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2012.Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The next general valuation will be done on 1 July 2019.

Rates are levied on an annual basis with the final date for payment being 30 June 2017 (30 June 2016). Interest at prime plus 1% per annum (2016:prime plus 1% per annum), is levied on rates outstanding one month after due date.

A general rate of 0.00058 for agricultural properties, 0.00931 for business properties, 0.00795 for residential properties, 0.00119 for government infrastructure properties and 0.01563 for government properties is applied to property valuations to determine assessment rates (2016: 0.00053 - agricultural properties, 0.00847 - business properties, 0.00723 - residential properties, 0.01421 - government properties and 0.00145 for Government infrastructure). Rebates of the first R15 000 on the value of residential properties and the first 30% on the value of government infrastructure properties are granted. (2016: R15 000 - residential properties and 30% government infrastructure).

	2017	2016
27 Service charges		
Sale of electricity	90 154 712	79 263 702
Sale of water	12 535 287	9 398 358
Sewerage and sanitation charges	4 075 203	3 763 919
Refuse removal	5 008 845	4 655 734
Other service charges	258 665	239 213
	112 032 712	97 320 926

Electricity losses incurred during the year - R11 048 032 (22%) - 2016: R11 088 838 (24%)
Water losses incurred during the year - R6 535 026 (48%), - 2016: R5 200 721 - (50%)

	2017	2016
28 Investment revenue		
Interest revenue		
Interest	567	719
Bank	1 280 637	1 445 392
	1 281 204	1 446 111

The amount of R1 281 204 (2016: R1 446 111) is included under revenue arising from exchange transactions

	2017	2016
29 Government grants and subsidies		
Equitable share	44 713 000	44 654 000
Government grant - MIG	19 378 343	15 269 657
Government grant - FMG	1 625 000	1 600 000
Provincial and District Municipality grants	4 757 110	7 517 114
Government grant - MSIG		930 000
Government grant - INEP	2 448 500	
National Lottery		600 000
National Treasury - MFIP		18 000
	72 921 953	70 588 771

	2017	2016
30 Other Income		
Insurance claims	244 788	117 856
Donations received from the District Municipality	454 066	
Biltong festival		342 508
Housing	111 850	106 557
Cashier surplusses	1 206	3 021
Admin Fees	2 387	
Recovering legal costs	1 503 651	
SDL Claims	148 304	121 310
Old consumer debt recovered	85 702	27 835
Settlement discount	15 600	590
Sub-division/rezoning fees	9 979	13 970
	2 577 533	733 647

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)
31 Employee related costs		
Basic	48 375 857	45 807 898
Bonus	2 289 153	2 193 682
Medical aid - company contributions	2 670 118	2 353 008
UIF	438 616	412 786
WCA	561 384	458 363
SDL	726 304	592 081
Leave pay accrued	982 116	1 176 139
Post-employment benefits - Pension - Defined contribution plan	355 681	497 504
Long Service Awards plan	66 399	(50 439)
Travel, motor car, accommodation, subsistence and other allowances	1 474 965	2 023 814
Overtime payments	3 227 250	2 684 419
13th Cheques provision charge	1 675 585	1 641 725
Other allowances	3 408 331	2 827 030
Bargaining council	29 161	27 615
Other contributions	2 551	2 997
Pension contributions (employers contributions)	7 711 727	7 183 257
	73 995 198	**69 831 879**
Prior Period adjustment		
Balance as previously reported		**69 756 814**
2016: Acting allowance for PMU Technician who acted as PMU Manager not paid according to legislation		125 504
2016: Movement of Long Service Awards not previously calculated and provided for in 2015/16		(50 439)
		69 831 879
Remuneration of municipal manager		
Annual Remuneration	1 026 548	919 878
Car Allowance	120 000	120 000
Contributions to UIF, Medical and Pension Funds	1 877	1 872
	1 148 425	**1 041 750**
Remuneration of chief finance officer (Vacant from 1 November 2016 to 31 January 2017)		
Annual Remuneration	635 780	793 459
Car Allowance	70 000	60 000
Contributions to UIF, Medical and Pension Funds	1 408	1 872
Leave days paid out	166 824	9 321
	874 012	**864 652**
Remuneration of manager - corporate services		
Annual Remuneration	821 042	733 459
Car Allowance	120 000	120 000
Contributions to UIF, Medical and Pension Funds	1 875	1 872
	942 917	**855 331**
Remuneration of manager - community services		
Annual Remuneration	821 040	719 393
Car Allowance	120 000	120 000
Contributions to UIF, Medical and Pension Funds	1 877	1 872
	942 917	**841 265**
Remuneration of manager - infrastructure		
Annual Remuneration	788 701	701 119
Car Allowance	152 340	152 340
Contributions to UIF, Medical and Pension Funds	1 876	1 872
	942 917	**855 331**

32 Remuneration of councillors

		2017 R	2016 R (Restated)
Previous Councillors			
Mayor:	NM Scott	83 369	730 632
Chairperson: Impac	WH Greeff	33 708	295 423
Chairperson: Community Services	M Nontyi	33 708	295 423
Councillor	CFB Du Preez	26 792	234 807
Councillor	NG Mjikelo	26 792	234 807
Councillor	Z Funiselo	26 833	234 807
Councillor	MK Mali	26 792	234 807
Councillor	RM Bradfield	26 792	234 807
Current Councillors			
Mayor:	BA Manxoweni	690 261	295 423
Chairperson: Impac	NP Nkonyeni	310 411	295 423
Councillor	KC Brown	244 260	234 807
Councillor	P Sonkwala	222 133	
Councillor	J Martin	222 133	
Councillor	F Brown	222 133	
Councillor	C Du Plessis	222 133	
Councillor	A Hufkie	279 191	
Councillor	T Grootboom	250 603	
Councillor	M Kwatshu	276 870	
Councillor	T Xakaxa	222 133	
		3 447 047	3 321 166
In-kind benefits			
The following Councillors received benefits in-kind:			
Councillor	NG Mjikelo	14 100	224 920
Chairperson: Technical Services	NP Nkonyeni	19 500	25 850
		3 480 647	**3 571 936**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)
33 Debt impairment		
Allowance for impairment	8 883 634	5 310 340
Debts written off	4 529 764	3 094 507
	13 413 398	**8 404 847**
34 Finance costs		
Trade and other payables	1 404 356	1 311 052
Finance leases	296 035	433 830
Interest cost - Landfill sites liability	2 295 917	2 007 672
Interest cost - Long Service Awards	307 575	279 206
Interest cost - PRMA liability	1 852 671	1 701 268
	6 156 554	**5 733 028**

Interest expense is calculated using the effective interest rate.

	2017 R	2016 R (Restated)
Prior Period adjustment		5 453 822
2016: Interest on Long Service Awards not previously calculated and provided for in 2015/16		279 206
		5 733 028
35 Bulk purchases		
Electricity	73 694 658	66 874 450
Water	1 162 133	1 122 132
	74 856 791	**67 996 582**
36 General expenses		
Advertising	382 872	283 991
Auditors remuneration	2 684 555	3 817 856
Bank charges	119 575	155 967
Consulting and professional fees	2 248 208	2 723 614
Consumables	216 251	279 425
Donations	3 500	8 120
Entertainment/Music Festival	186 121	968 727
Insurance	723 278	498 046
Conferences and seminars	41 967	57 462
Rentals ad hoc	213 263	287 669
Refuse Bags	290 949	291 741
Magazines, books and periodicals	35 614	29 092
Fuel and oil	2 504 095	2 664 968
Printing and stationery	1 007 920	1 025 308
Protective clothing	238 036	264 684
Security (Guarding of municipal property)	901 755	1 194 831
Telephone and fax	2 722 578	2 742 010
Transport and freight	2 754	1 262
Training	26 987	91 480
Title deed search fees	11 056	25 773
Tourism development	333 035	370 000
Licences	683 078	523 346
Stipends - ward committee	53 000	671 570
Agency services: Cacadu Dev Agency	577 500	720 000
Obsolete/(surplus) stock	(9 787)	2 415
Conditional grant expenditure	1 644 163	2 252 798
Cashier shortages/deficits	1 201	29
Chemicals	364 916	512 122
Valuations expenses	82 075	78 116
Laboratory tests	56 187	64 161
Recharges to Capital Projects	(194 836)	(124 407)
Other expenses	1 094 908	1 862 236
	19 246 774	**24 344 416**
Prior Period adjustment		
Balance previously reported		24 210 659
2016: Invoice from Afrox for Oxygen incorrectly issued and shown under payables for 2015/16		(1 009)
2016: Laboratory charges for testing of water samples for chemical analys done in 2015/16		11 454
2016: Security duties not paid in previous year because of SCM requirements not adhere to and not included in payables		103 346
2016: Fruitless, wastefull expenditure: Duplicate Town Hall deposit refunded, paid back by recipient in October 2016		(245)
2016: Payment of Audit Committee member fees for May and June 2016 and not included in payables		20 211
		24 344 416

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)
36 General expenses (continued)		
Other expenses		
Ward committees	2 440	5 870
Various special events	138 098	195 393
Meter connections	20 919	2 800
Levies-SALGA	763 895	697 272
Alien Vegetation	1 130	2 298
Private Works		12 102
Library Events	2 591	20 957
Membership Fees	14 526	6 671
Prevention of epidemics		480
Fruitless, wastefull, unauthorised expenditure	27 700	814 784
Prodiba	97 644	86 712
Medical expenses	19 948	8 752
Awareness campaign	5 072	4 587
Disaster assistance	945	3 558
	1 094 908	**1 862 236**

37 Auditors' remuneration

	2017 R	2016 R
Audit Fees	**2 684 555**	**3 817 856**

No amount to the Auditor General was outstanding at 30 June 2017

38 Net cash flows from operating activities

	2017 R	2016 R
Surplus/(deficit)	(21 988 610)	(30 413 881)
Adjustments for:		
Depreciation and amortisation	36 326 106	34 776 881
(Gain) / Loss on sale of assets and liabilities	(65 416)	322 177
Grant revenue with transfer of assets	(286 074)	
Finance costs (finance leases)	296 035	433 830
Debt impairment	13 413 398	8 404 847
Movement in retirement benefit assets and liabilities	1 322 564	856 591
Movement in Long Service Awards Liability	67 721	208 465
Movements in provisions	2 295 917	2 007 672
Changes in working capital:		
(Increase)/decrease in inventories	(86 826)	265 269
(Increase)/decrease in other receivables from exchange transactions	97 826	2 134 186
(Increase)/decrease from other receivables from non-exchange transactions	(1 175 541)	(1 637 893)
(Increase)/decrease in Trade receivables from exchange transactions	(15 867 046)	(8 843 727)
Increase/(decrease) in payables from exchange transactions	2 508 880	1 622 586
Increase/(decrease) in VAT payable	319 827	569 328
Increase/(decrease) in trade and other payables from non-exchange	(199 017)	112 168
Increase/(decrease) in unspent conditional grants and receipts	(2 141 403)	5 126 503
Increase/(decrease) in consumer deposits	(41 945)	224 965
	13 796 398	**16 171 967**

	2017 R	2016 R (Restated)
39 Commitments		
Authorised capital expenditture		
Already contracted for but not provided for		
Infrastructure related projects	10 409 388	13 119 697
	10 409 388	**13 119 697**

This committed expenditure relates to infrastructure projects and will be financed by Government Grants.

Operating leases - as lessee (expense)

No operating leases were paid for in the 2017 financial year.

Operating leases - as lessor (income)

Certain of the municipality's property is held to generate rental income. No lease agreements are in place and tenants rent the respective properties on a month to month basis. There are no contingent rents receivable.

40 Contingencies

Contingent liabilities

Matter: Blue Crane Route vs RM Brown
Plaintiff has instituted a summons against the Municipality for the amount of R46 215.75 plus interest from 13 August 2013 up to date of payment in respect of a boundary fence which was erected when the existed one had fallen into a stae of disrepair. We are awaiting the outcome of the special plea that will be held on 31 October 2017.

Matter: Blue Crane Route Municipality vs Various Employees
The following Labour matters is still ongoing :

Name of Employee	Labour Case details	Further anticipated costs
Ms G Sammy	Dispute her remuneration	R38 428 This amount excludes the municipality's possible obligation should the claimant be successful
I Hendricks & other	Re-employment in terms of Agreement	R 60 000 This amount excludes the municipality's possible obligation should the claimant be successful
Yolisa Qola	Dispute the recovering of studying cost	R20 238

Contingent assets

Matter: Blue Crane Route Municipality vs Austin & Evans Abattoir
In terms of the Municipality's Water supply and Sanitation services By Laws a compliance notice was delivered to Austin & Evans for its failure to comply with said legislation, relating to the disposal, dumping or deposit of effluent was in Somerset East.

Matter: Blue Crane Route Municipality vs Autumn Star/Claassen
The matter is on going. The Municipality's prospects of success remains strong and should be able to obtain an order for repayment of approximately R1 561 737 (Autumn Star) and R3 602 190 (Claassen). Legal costs of R134 994 was already recovered during the financial year.

Matter: Blue Crane Route Municipality vs A Swanepoel
The Municipality appeal was successful, but Bill of costs has not been taxed yet. The total claim amount is R25 000.
The file of Mr Swanepoel got lost and there is now a delay in finalising this matter.

Matter: Blue Crane Route Municipality vs P January
P January was employed at the Municipality and resigned on 31 March 2017. After she left it was discovered that salary was paid while her sick leave was exhausted. The possible overpayment is according the Municipality's calculation approximately R170 000. The Municipality tried to recover this from the pension fund but was unsuccesful. An application is in process with the legal presentation.

Contingent movements from previous year (Deleted from contingencies)

Matter: Blue Crane Route Municipality vs A Afrikaner
During January 2008 a child was shocked by electricity wire in Pearston. After a payment was made in 2012, a further summons was issued against the Municipality in September 2015 claiming damages of R4 320 000. The plaintiffs case was dismissed with cost on 30 March 2017.

Matter: Blue Crane Route Municipality vs South Africa Local Authorities Pension Fund
During June 2016 the Municipality received a letter of demand in terms of which SALA Pension Fund is claiming an amount of R176 801.
This matter has been settled out of court and will not appear again.

Matter: Blue Crane Route Municipality vs Santam Insurance Limited
The decision of Judge Roberson after the trial was in the Municipality's faviour and the amount of R1 579 167 was paid in July 2017
This amount has been accrued for and is included in the statement of Financial Performance.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R (Restated)
41 Related parties		
Contracts awarded to suppliers in the service of the state		
Aurecon (PJ Hendricks is in the service of The National Metrology Institute of SA)	1 005 842	
Ebusha General Trading (Director's daughter employed by the Provincial Department)	190 868	
Contracts awarded to close family members		
Inkoleko Trading (Owner is husband of Councillor NP Yantolo)		14 150
Ezithathwini Pty Ltd (Owner is sister of Councillor NP Yantolo)		9 150

42 Prior period adjustments

During the preparation of the municipality's annual financial statements, a number of prior period errors (periods before 2016). affecting various balances were noted. These errors were corrected retrospectively.

The correction of the error(s) and change in estimates/accounting policy results in adjustments as follows:

	2017 R	2016 R (Restated)
Investment Property (Note 11)		
Earlier than 2016: Incorrectly included erven under Land in Investment Property. Not municipal property as per deeds office information		(344 350)
Earlier than 2016: Incorrectly included erf 420 (Somerset East) in Investment Property. Not municipal property		(107 550)
Earlier than 2016: Change in Accounting Policy - Investment properties change from re-valuation model to cost model:Nett change on carrying value		(43 529 974)
		(43 981 874)
Property, Plant and Equipment (Note 12)		
Earlier than 2016: Carrying value of Road (FAR_7160) wrongly deleted in assets register		801 212
Earlier than 2016: Carrying value of Erf 2302 incorrectly included in PPE. Not Municipality property		(150 999)
		650 213
Employee Benefit Obligation (Note 15)		
Earlier than 2016: Long Service Wards not calculated and provided for as a Employee benefit obligation		(3 660 791)
Other receivables from non-exchange transactions (Note 8)		
Earlier than 2016: Property Rates tariff for Parks not charged as for other Government properties		157 067
Earlier than 2016: Erf 553 - Vacant erf in Cookhouse - service charges incorrectly levied		(51)
Earlier than 2016: Erven 546/8 and 546/7 incorrectly levied for rates - not in BCRM area		(25 029)
		131 987
Trade receivables from exchange transactions (Note 9)		
Earlier than 2016: Incorrect levies on service charges on erf 553 in Cookhouse		(17 738)
Payables from exchange transactions (Note 20)		
Earlier than 2016: Invoice received for Botha Vervoer Trust invalid, but shown as expenditure in 2014/15		3 607
Earlier than 2016: Acting allowance for PMU Technician who acted as PMU Manager not paid according to legislation		(20 917)
		(17 310)
VAT Payable (Note 22)		
Earlier than 2016: VAT disallowed by SARS on VAT assessment during 2015/16 audit		(12 185)
Earlier than 2016: Incorrect VAT levied on service charges on erf 553 in Cookhouse		1 646
Earlier than 2016: Invoice received for Botha Vervoer Trust invalid, but shown as expenditure in 2014/15		(443)
		(10 982)
Accumulated surplus adjustments (Earlier than 2016)		
Investment Property		43 981 874
Property, Plant and Equipment		(650 213)
Employee Benefit Obligation		3 660 791
Other receivables from non-exchange transactions		(131 987)
Trade receivables from exchange transactions		17 738
Payables from exchange transactions		17 310
Vat Payable		10 982
		46 906 495
Prior period adjustments		
Adjustments to Employee related costs (See Note 31)		75 065
Adjustment on General expenses (See Note 36)		133 757
Adjustment to Finance costs (See Note 34)		279 206
Adjustment on Gain on Long Service Awards - not shown as liability in previous years		(20 312)
Adjustment on Repairs - VAT not allowed by SARS		837
Adjustment to depreciation on Investment Property		59 203
Adjustment to depreciation on PPE		18 551
Adjustment to Revenue (See Note 25)		25 572 363
Adjustment: Opening accumulated surplus 2016 (See above detail)		46 906 495
		73 025 166

	2017 R	2016 R (Restated)

43 Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years
Other financial liabilities	9.62%	(3 228 932)	(3 487 111)	(3 831 816)	(815 757)
Trade and other payables from non-exchange	10.50%	(55 700)	-	-	-
Payables from exchange transactions	7%	(14 604 643)	-	-	-
Finance lease obligation	9.55%	(858 589)	(941 355)	(488 274)	-
Trade and Other receivables from exchange	11.50%	23 495 382	-	-	-
Other receivables from non-exchange	11.50%	6 414 873	-	-	-
Other financial assets	5.00%	3 252	3 419	2 983	
Cash in current banking institutions	6.00%	6 924 298	-	-	-

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used..

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2017	2016
Trade receivables from exchange transactions	22 444 353	18 694 127
Other receivables from non-exchange transactions	6 414 873	5 535 910
Other receivables from exchange transactions	1 051 029	1 148 855
Other financial assets	3 253	3 094
Short term deposits and cash in banks	6 924 298	14 110 885

The municipality holds deposits of R2 421 026 (2016: R2 462 971) from consumer debtors. No guarantees or collateral was provided to third parties.

	2017 R	2016 R (Restated)

44 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

45 Events after the reporting date

There are no events after reporting date to report on.

46 Unauthorised expenditure

	2017 R	2016 R (Restated)
Opening balance	30 914 141	15 113 708
Add: Unauthorised Expenditure - current year	8 045 528	15 800 433
Less: Amounts written off by Council on 6 July 2017	(29 524 601)	-
	9 435 068	**30 914 141**

Unauthorised expenditure occurred due to debt impairments which was much more than budgeted.

47 Fruitless and wasteful expenditure

	2017 R	2016 R (Restated)
Opening balance	832 328	17 544
Add: Fruitless and wasteful expenditure - current year	27 700	814 784
Less: Amounts written off/recovered by Council on 6 July 2017	(25 177)	-
	834 851	**832 328**

Further investigations is till in process for the outstanding amount of R834 851

48 Irregular expenditure

	2017 R	2016 R (Restated)
Opening balance	84 947 379	91 881 929
Add: Irregular Expenditure - current year	14 318 311	12 216 146
Less: Amounts written off by Council on 6 July 2017	(16 235 143)	(19 150 696)
	-	-
	83 030 547	**84 947 379**

Details of irregular expenditure - current year

	2017 R
Disciplinary steps taken/criminal proceedings: None	
Supply Chain Management regulations not adhered to	**83 030 547**
Refer to Annexure "A" for the full list of deviations	**2 259 724**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016
	R	R (Restated)

49 Reconciliation between budget and statement of financial performance

Classification Basis	Actual amounts as per Budget	Actual amounts as per Statement of Financial Performance	Difference	Comment
Revenue				
Property rates	**11 152 785**	**11 152 026**	**759**	Budget includes Municipal charges
Service Charges	**121 959 788**	**112 032 712**	**9 927 076**	
Service Charges: Electricity	98 892 742	90 154 712	8 738 030	Budget includes Municipal charges
Service Charges: Water	13 606 487	12 535 287	1 071 200	Budget includes Municipal charges
Service Charges: Sanitation	4 133 619	4 075 203	58 416	Budget includes Municipal charges
Service Charges: Refuse	5 068 273	5 008 845	59 428	Budget includes Municipal charges
Service Charges: Cemeteries	62 898	62 898	-	
Service Charges: Dis/re-connection fees	121 625	121 625	-	
Service Charges: Pound Fees	74 142	74 142	-	
Expenditure				
Classification Basis				
Employee Related costs	**73 641 294**	**73 995 198**	**(353 904)**	
Skills Development Levy: Councillors		33 062	(33 062)	Included under Remun of Counc. In budget
Travelling and subsistance: Councillors		296 906	(296 906)	Included under Remun of Counc. In budget
Workmens Compensation Levy: Councillors		23 936	(23 936)	Included under Remun of Counc. In budget
Other employee related costs	73 641 294	73 641 294	-	
Remuneration of Councillors	**3 800 951**	**3 480 647**	**320 304**	
Skills Development Levy: Councillors	33 062		33 062	Included under Employee Related Costs
Travelling and subsistance: Councillors	296 906		296 906	Included under Employee Related Costs
Workmens Compensation Levy: Councillors	23 936		23 936	Included under Employee Related Costs
Benefits-in kind		33 600	(33 600)	Included under Other expenditure in budget
Other remuneration of Councillors	3 447 047	3 447 047	-	
Repairs and Maintenance	-	**2 917 877**	**(2 917 877)**	Included under Other expenditure in budget
Transfers and Grants	**910 535**		**910 535**	
Transfers to Cacadu Development Agency	577 500		577 500	Included under General Expenses Fin Perf
Transfers to Tourism	333 035		333 035	Included under General Expenses Fin Perf
General/Other Expenses	**30 023 510**	**19 246 774**	**10 776 736**	
Departemental charges (Electricity)	8 738 030		8 738 030	Budget includes Mun dept charges
Departemental charges (Water)	1 071 200		1 071 200	Budget includes Mun dept charges
Departemental charges (Sewerage)	58 416		58 416	Budget includes Mun dept charges
Departemental charges (Refuse)	59 428		59 428	Budget includes Mun dept charges
Departemental charges (Rates)	759		759	Budget includes Mun dept charges
Repairs and maintenance	2 917 877		2 917 877	Shown seperatly in Financial Performance
Transfers and Grants		910 535	(910 535)	Shown seperatly in budget
Actuarial Gain	(1 192 041)		(1 192 041)	Shown seperatly in Financial Performance
Councillors benefits-in kind	33 600		33 600	Budget includes Councillors benefits-in kind
Other/General expenses	18 336 239	18 336 239	-	

	2017 R	2016 R (Restated)

50 Additional disclosure in terms of Municipal Finance Management Act

PAYE and UIF

	2017	2016
SARS deductions	9 786 133	8 454 907
Amount paid over	(9 738 805)	(8 450 072)
	47 328	**4 835**

The outstanding amount of R47 328 for Income Tax was paid to SARS in July 2017

Pension and Medical Aid Deductions

	2017	2016
Current year deductions	15 072 193	13 936 207
Amount paid - current year	(15 072 193)	(13 936 207)
	-	-

Councillors' arrear consumer accounts

The following Councillors municipal charges were outstanding for more than 90 days at 30 June 2017

	2017
M Kwatsha	3 594
BA Manxoweni	7
	3 601

Organised Local Government (SALGA)

	2017	2016
Contribution for the year	**763 895**	**697 272**

No contributions were outstanding at year end.

51 Actual versus Budget: Explanation of material variances greater than 10% versus budget

Revenue	Final Budget 2017 R	Actual 2017 R	Variance R	Variance %	Explanation
Interest earned - external investments	1 000 750	1 281 204	280 454	28%	Cashflow improved for the last 4 months of financial year.
Interest earned - outstanding debtors	3 150 000	3 847 706	697 706	22%	Budget is conservative because bad debts will increase.
Rental of facilities and equipment	63 000	47 053	(15 947)	-25%	Plant was not in condition for renting out.
Agency Services	750 000	885 336	135 336	18%	Traffic Offices opened again and more revenue earned than suspected
Gain on disposal of PPE	489 000	65 416	(423 584)	-87%	No Auction held during the year as planned
Other revenue	5 694 340	4 075 641	(1 618 699)	-28%	Re-valuation of investment properties not done - changed to cost model
Expenditure					
Debt impairment	7 965 000	13 413 398	5 448 398	68%	Debt impairment was much more than suspected.
Transfers and Grants	1 053 000	910 535	(142 465)	-14%	Contribution to the Cacadu Dev Agency ended March 2017 - only 9 months

52 Final budget versus original budget: Explanation of material variances greater than 10%

Revenue	Final Budget 2017 R	Original Budget 2017 R	Variance R	Variance %	Explanation
Interest earned - outstanding debtors	3 150 000	2 722 650	427 350	16%	Interest on debtors increased according to levies raised
Rental of facilities and equipment	63 000	75 000	(12 000)	-16%	Broken équipment lead to decrease in rental income
Licences and permits	820 000	631 790	188 210	30%	Traffic office was closed for period
Agency services	750 000	660 000	90 000	14%	Traffic office was closed for period
Gains on disposal of PPE	489 000	100 000	389 000	389%	Vehicles written off, paid by Insurance
Expenditure					
Debt impairment	7 965 000	6 335 000	1 630 000	26%	Bad debts increased according to the increase in water levies
Finance charges	5 944 730	3 748 960	2 195 770	59%	Not originaly budgeted for Interest on PEMA and Land fill sites
Bulk Purchases	76 244 200	65 378 350	10 865 850	17%	Increase in elect bulk purchases due to the peak season usage

NOTE 53.1

EC102 Blue Crane Route - Reconciliation of Table A1 Budget Summary

Description	2016/17								2015/16			
R thousands	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Financial Performance												
Property rates	11 090	50	11 140	11 153		13	100,1%	100,6%				10 095
Service charges	108 317	8 818	117 135	121 960		4 825	104,1%	112,6%				101 944
Investment revenue	1 001	–	1 001	1 281		280	128,0%	128,0%				1 446
Transfers recognised - operational	51 654	305	51 959	51 263		(696)	98,7%	99,2%				52 419
Other own revenue	9 757	1 279	11 036	9 371		(1 665)	84,9%	96,0%				7 335
Total Revenue (excluding capital transfers and contributions)	**181 819**	**10 452**	**192 271**	**195 028**		**2 757**	**101,4%**	**107,3%**				**173 239**
Employee costs	73 523	2 866	76 389	73 641	(2 761)	(2 748)	96,4%	100,2%	–	–	–	56 233
Remuneration of councillors	4 136	(85)	4 051	3 801	(250)	(250)	93,8%	91,9%	–	–	–	3 580
Debt impairment	6 335	1 630	7 965	13 413	5 448	5 448	168,4%	211,7%	–	–	–	8 405
Depreciation & asset impairment	35 189	(740)	34 449	36 325	(1 221)	1 876	105,5%	103,2%	–	–	–	34 777
Finance charges	3 749	2 196	5 945	6 157	212	212	103,6%	164,2%	–	–	–	5 733
Materials and bulk purchases	65 378	10 866	76 244	74 857	(1 387)	(1 387)	98,2%	114,5%	–	–	–	57 557
Transfers and grants	1 053	–	1 053	911	(180)	(142)	86,5%	86,5%	–	–	–	1 090
Other expenditure	28 213	998	[illegible]	30 024	651	813	102,8%	106,4%	–	–	–	39 608
Total Expenditure	**217 576**	**17 731**	**235 307**	**239 129**	**511**	**3 822**	**101,6%**	**109,9%**	–	–	–	**221 822**
Surplus/(Deficit)	**(35 757)**	**(7 279)**	**(43 036)**	**(44 102)**		**(1 066)**	**102,5%**	**123,3%**				**(48 584)**
Transfers recognised - capital	24 983	(1 288)	23 695	22 113		(1 582)	93,3%	88,5%				18 170
Contributions recognised - capital & contributed assets	–	–	–	–		–						–
Surplus/(Deficit) after capital transfers & contributions	**(10 775)**	**(8 566)**	**(19 341)**	**(21 989)**		**(2 648)**	**113,7%**	**204,1%**				**(30 414)**
Share of surplus/ (deficit) of associate	–					–						–
Surplus/(Deficit) for the year	**(10 775)**	**(8 566)**	**(19 341)**	**(21 989)**		**(2 648)**	**113,7%**	**204,1%**				**(30 414)**
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	24 983	(5 927)	19 056	15 435		(3 621)	81,0%	61,8%				8 612
Public contributions & donations	–		–	–		–						–
Borrowing	–		–	–		–						3 300
Internally generated funds	8 214	(6 639)	1 575	1 317		(258)	83,6%	16,0%				3 419
Total sources of capital funds	**33 196**	**(12 566)**	**20 631**	**16 752**		**(3 879)**	**81,2%**	**50,5%**				**12 331**
Cash flows												
Net cash from (used) operating	15 601	(20 581)	(980)	13 542		14 523	-1381,3%	89,1%				15 947
Net cash from (used) investing	(18 183)	426	(17 757)	(16 054)		1 703	90,4%	88,3%				(17 325)
Net cash from (used) financing	(11 418)	7 460	(3 958)	(4 972)		(714)	118,1%	40,9%				(626)
Cash/cash equivalents at the year end	**(0)**	**(8 584)**	**(8 584)**	**6 929**		**15 513**	**-80,7%**	**-2037831,8%**				**14 113**

NOTE 53.2

EC102 Blue Crane Route - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description R thousand	2016/17 Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	2015/16 Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	41 624	816	42 440	41 084		(1 405)	96.7%	98.8%				38 832
Executive and council	20 275	41	20 317	20 330		13	100,1%	100.3%				20 565
Budget and treasury office	16 893	492	17	18 312		930	105.4%	108.4%				17 583
Corporate services	4 458	282	4 741	2 352		(2 349)	50,5%					584
Community and public safety	5 378	417	5 795	6 204		409	107.1%	115.4%				6 498
Community and social services	2 618	40	2 658	2 576		(82)	96.9%	98.4%				3 651
Sport and recreation	–	–	–			–						
Public safety	1 904	377	2 282	2 486		205	109.0%	130.6%				2 032
Housing	–	–	–			–						
Health	853	–	855	1 142		286	133.4%	133.4%				813
Economic and environmental services	21 754	(994)	20 760	20 559		(201)	99.0%	94.5%				16 626
Planning and development		305	305	125		(181)	40.8%	#DIV/0!				290
Road transport	21 754	(1 300)	20 454	20 434		(20)	99.9%	93.9%				16 336
Environmental protection			–			–	–					
Trading services	138 946	9 925	148 871	149 317		2 346	101.6%	108.2%				125 454
Electricity	98 313	8 627	106 946	107 157		211	100.2%	109.0%				89 345
Water	18 360	781	19 141	21 369		2 228	111,5%	115,4%				20 076
Waste water management	10 682	(281)	10 401	10 402		1		97,4%				10 073
Waste management	10 665	(202)	10 463	10 369		(94)	99.1%					5 962
Other			–			–		-				
Total Revenue - Standard	206 802	9 164	215 966	217 113		1 148	100.5%	105.0%				181 408
Expenditure - Standard												
Governance and administration	53 726	2 059	55 785	54 265	(1 521)	(1 521)	97.3%	101.0%	–	–	–	55 158
Executive and council	10 758	(86)	10 672	9 967	(704)	(704)	93.4%	92.6%			–	11 681
Budget and treasury office	78	133	27 972	27 186	(787)	(787)	97.2%	97.9%			–	26 168
Corporate services	15 188	1 563	17 141	17 111	(30)	(30)	99.8%	112.7%			–	17 320
Community and public safety	17 817	(1 143)	16 774	15 916	(858)	(858)	94.3%	89.3%	–	–	–	14 434
Community and social services	10 847	(433)	10 414	9 741	(673)	(673)	93.5%	89.8%			–	9 412
Sport and recreation	–	–	–		–	–					–	
Public safety	6 026	(692)	5 334	5 181	(153)	(153)	97.1%	86.0%			–	4 086
Housing	–	–	–		–	–					–	
Health	1 044	(18)	1 027	897	(129)	(129)	87.4%	85.9%			–	933
Economic and environmental services	21 137	1 746	22 883	21 109	(1 774)	(1 774)	92.2%	99.9%	–	–	–	23 450
Planning and development	3 015	346	3 360	2 968	(392)	(392)	88.3%	98.5%			–	3 205
Road transport	18 123	1 400	19 523	18 141	(1 382)	(1 382)	92.9%	100.1%			–	20 245
Environmental protection	–		–		–	–		–			–	
Trading services	124 795	15 069	139 864	147 910	8 046	8 046	105.8%	118.5%	–	–	–	129 779
Electricity	86 442	10 888	97 330	99 217	1 887	1 887	101.9%	114.8%			–	87 923
Water	14 449	2 362	16 811	20 751	3 940	3 940	123.4%	143.6%			–	15 755
Waste water management	10 889	(1 206)	9 670	10 450	871	871	109.1%	96.4%			–	6 832
Waste management	13 019	3 085	16 104	17 452	1 348	1 348	106.4%	134.1%			–	15 259
Other			–		–	–	-	-			–	
Total Expenditure - Standard	217 576	17 731	235 307	239 102	3 795	3 795	101.6%	109.9%	–	–	–	221 822
Surplus/(Deficit) for the year	(10 775)	(8 567)	(19 341)	(21 989)	(2 647)	(2 647)	113,7%	204,1%	–	–	–	(30 414)

NOTE 53.3

EC102 Blue Crane Route - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2016/17								2015/16			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Mayoral Executive			–			–						
Municipal Council	20 276	10	20 286	20 286		0	100.1%	100.1%				20 223
Accounting Officer		337	337	169		(168)	50.1%	#DIV/0!				632
Budget & Treasury	16 889	492	17 382	18 312		930	105.4%	108.4%				17 653
Technical Services	153 505	8 089	161 594	160 106		(1 488)	99.1%	104.3%				135 258
Community Safety & Social Services	16 043	213	16 258	16 572		314	101.9%	103.3%				16 458
Corporate Services	89	21	110	1 669		1 559	1517.2%	1879.1%				144
Example 8 - Vote8			–			–						
Example 9 - Vote9			–			–						
Example 10 - Vote10			–			–						
Example 11 - Vote11			–			–						
Example 12 - Vote12			–			–						
Example 13 - Vote13			–			–						
Example 14 - Vote14			–			–						
Example 15 - Vote15			–			–	–					
Total Revenue by Vote	**206 802**	**9 164**	**215 966**	**217 113**		**1 149**	**100.5%**	**105.0%**				**191 408**
Expenditure by Vote to be appropriated												
Mayoral Executive	348	(1)	347	346	(1)	(1)	99.8%	99.5%			–	327
Municipal Council	5 135	(285)	4 849	4 134	(715)	(715)	85.2%	80.5%			–	6 330
Accounting Officer	8 260	545	8 835	8 456	(380)	(380)	95.7%	102.3%			–	9 226
Budget & Treasury	27 780	193	27 972	27 083	(889)	(889)	96.8%	97.5%			–	76 158
Technical Services	138 151	15 034	153 185	159 024	5 829	5 839	103.8%	115.1%			–	143 850
Community Safety & Social Services	30 936	1 942	32 878	33 271	392	392	101.2%	107.5%			–	[illegible]
Corporate Services	6 927	303	7 232	6 789	(441)	(441)	93.9%	98.0%			–	7 435
Example 8 - Vote8			–			–	–				–	
Example 9 - Vote9			–			–	–				–	
Example 10 - Vote10			–			–	–				–	
Example 11 - Vote11			–			–	–				–	
Example 12 - Vote12			–			–	–				–	
Example 13 - Vote13			–			–	–				–	
Example 14 - Vote14			–			–	–				–	
Example 15 - Vote15			–			–	–	–			–	
Total Expenditure by Vote	**217 579**	**17 731**	**235 397**	**229 102**	**3 796**	**3 796**	**101.9%**	**108.9%**	–	–	–	**221 822**
Surplus/(Deficit) for the year	**(10 775)**	**(8 567)**	**(19 341)**	**(21 989)**		**(2 647)**	**113.7%**	**204.1%**				**(30 414)**

NOTE 53.4

EC102 Blue Crane Route - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2016/17 Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	2015/16 Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	11 090	50	11 140	11 153		13	100,1%	100,6%				10 095
Property rates - penalties & collection charges		–	–			–						
Service charges - electricity revenue	87 573	8 647	[illegible]	98 893		2 572	102,8%	112,8%				83 662
Service charges - water revenue	10 596	781	11 377	13 606		2 229	119,6%	128,4%				9 526
Service charges - sanitation revenue	4 417	(285)	4 132	4 134		2	100,0%	93,6%				3 805
Service charges - refuse revenue	5 412	(226)	5 187	5 068		(119)		93,6%				4 711
Service charges - other	218	–	218	259		41	118,7%	118,7%				209
Rental of facilities and equipment	75	(12)	63	47		(16)	74,7%	62,7%				43
Interest earned - external investments	1 001	–	1 001	1 281		280	128,0%	128,0%				1 445
Interest earned - outstanding debtors	2 723	427	3 150	3 848		698	122,1%	141,3%				3 153
Dividends received		–	–			–						
Fines		–		72		2	[illegible]	102,9%				60
Licences and permits	632	188	820	832		12	101,4%	131,7%				745
Agency services	660	90	750	885		135	118,0%	134,1%				675
Transfers recognised - operational	51 654	305	51 959	51 095		(864)	98,3%	98,9%				52 415
Other revenue	5 458	187	5 694	3 790		(1 506)	66,5%	68,9%				2 638
Gains on disposal of PPE	100	389	489	65		(424)	13,4%	65,4%				
Total Revenue (excluding capital transfers and contributions)	**181 819**	**10 452**	**192 271**	**195 028**		**2 757**	**101,4%**	**107,3%**				**173 238**
Expenditure By Type			–				–	–				
Employee related costs	73 523	2 865	75 388	73 541	(2 748)	(2 748)	96,4%	100,2%			–	39 233
Remuneration of councillors	4 135	(85)	4 051	3 801	(250)	(250)	93,8%	91,9%			–	3 980
Debt impairment	6 336	1 630	7 965	13 413	5 448	5 448	168,4%	211,7%			–	8 405
Depreciation & asset impairment	35 186	(740)	34 449	36 326	1 878	1 876	105,5%	103,2%			–	34 777
Finance charges	3 749	2 195	5 945	6 157	212	212	103,6%	164,2%			–	5 733
Bulk purchases	65 378	10 865	76 244	74 857	(1 387)	(1 387)	98,2%	114,5%			–	67 557
Other materials			–		–						–	
Contracted services	–	–	–		–			–			–	
Transfers and grants	1 053		1 053	911	(142)	(142)	86,5%	85,5%			–	1 090
Other expenditure	28 213	998	29 211	30 024	813	813	102,8%	106,4%			–	30 286
Loss on disposal of PPE			–		–	–					–	322
Total Expenditure	**217 476**	**17 731**	**235 307**	**239 128**	**3 822**	**3 822**	**101,6%**	[illegible]	–	–	–	**221 822**
Surplus/(Deficit)	**(35 757)**	**(7 279)**	**(43 036)**	**(44 102)**		**(1 066)**	**102,5%**	**123,3%**				**(48 584)**
Transfers recognised - capital	24 983	(1 288)	23 695	21 827		(1 868)	92,1%	87,4%				18 170
Contributions recognised - capital			–			–						
Contributed assets			–	266		266						
Surplus/(Deficit) after capital transfers & contributions	**(10 776)**	**(8 568)**	**(19 341)**	**(21 989)**		**(2 648)**	**113,7%**	**204,1%**				**(30 414)**
Taxation			–			–						
Surplus/(Deficit) after taxation	**(10 776)**	**(8 568)**	**(19 341)**	**(21 989)**		**(2 648)**	**113,7%**	**204,1%**				**(30 414)**
Attributable to minorities			–			–						
Surplus/(Deficit) attributable to municipality	**(10 776)**	**(8 568)**	**(19 341)**	**(21 989)**		**(2 648)**	**113,7%**	**204,1%**				**(30 414)**
Share of surplus/ (deficit) of associate			–			–						
Surplus/(Deficit) for the year	**(10 776)**	**(8 568)**	**(19 341)**	**(21 989)**		**(2 648)**	**113,7%**	**204,1%**				**(30 414)**

NOTE 53.5

EC102 Blue Crane Route - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2016/17								2015/16			
R thousand	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital single-year expenditure												
Total Capital Expenditure - Vote												
Capital Expenditure - Standard												
Governance and administration	1 680	(869)	811	785	(26)	(26)	97%	47%	–	–	–	1 232
Executive and council	1 000	(476)	524	511	(13)	(13)	98%	51%			–	484
Budget and treasury office	200	(185)	15	12	(3)	(3)	77%	6%			–	292
Corporate services	480	(208)	272	262	(10)	(10)	96%	55%			–	455
Community and public safety	2 903	1 789	4 692	4 373	(319)	(319)	93%	151%	–	–	–	2 543
Community and social services	1 673	(1 523)	150	31	(119)	(119)	21%	2%			–	98
Sport and recreation		4 514	4 514	4 315	(199)	(199)	96%				–	1 649
Public safety	1 230	(1 202)	28	27	(1)	(1)	96%	2%			–	796
Housing			–			–	–	–			–	
Health			–			–	–	–			–	
Economic and environmental services	20 263	(20 171)	92	348	256	256	378%	2%	–	–	–	1 322
Planning and development			–			–	–	–			–	
Road transport	20 242	(20 171)	71	57	(14)	(14)	80%	0%			–	1 322
Environmental protection	21		21	291	270	270	1385%	1385%			–	
Trading services	8 350	6 686	15 036	11 246	(3 790)	(3 790)	75%	135%	–	–	–	7 234
Electricity	5 900	(1 299)	4 601	2 348	(2 253)	(2 253)	51%	40%			–	1 792
Water	1 000	(712)	288	245	(43)	(43)	85%	24%			–	3 107
Waste water management	250	9 897	10 147	8 654	(1 493)	(1 493)	85%	3462%			–	1 785
Waste management	1 200	(1 200)	–			–	–	–			–	550
Other			–			–					–	
Total Capital Expenditure - Standard	33 196	(12 565)	20 631	16 752	(3 879)	(3 879)	81%	50%	–	–	–	12 331
Funded by:												
National Government	24 983	(5 927)	19 056	15 149		(3 907)	79%	61%				3 199
Provincial Government			–			–						2 413
District Municipality			–	285		285						
Other transfers and grants			–			–						
Transfers recognised - capital	24 983	(5 927)	19 056	15 435		(3 621)	81%	62%				5 612
Public contributions & donations			–			–	–					
Borrowing			–			–	–					3 300
Internally generated funds	8 214	(6 639)	1 575	1 317		(258)	84%	16%				3 419
Total Capital Funding	33 196	(12 565)	20 631	16 752		(3 879)	81%	50%				12 331

NOTE 53.6

EC102 Blue Crane Route - Reconciliation of Table A7 Budgeted Cash Flows

Description	2016/17							2015/16
R thousand	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	113 868	17 009	130 876	114 820	(16 057)	87.7%	100.8%	105 823
Government - operating	51 654	(1 110)	50 544	52 798	2 253	104,6%	102.[illegible]	52 419
Government - capital	17 983	683	18 666	17 983	(683)	96.3%	100.0%	23 298
Interest	3 179	(1 840)	1 339	1 251	(88)	93,4%	39.4%	1 409
Dividends			–		–	-		
Payments								
Suppliers and employees	(164 753)	(35 018)	(199 770)	(171 609)	28 161	85.9%	104.2%	(164 601)
Finance charges	(1 278)	(639)	(1 916)	(1 700)	216	88.7%	133.1%	(1 311)
Transfers and Grants	(1 053)	333	(720)		720			(1 090)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**19 601**	**(26 561)**	**(980)**	**13 542**	**14 523**	**-1381.3%**	**69.1%**	**15 947**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	100		100	406	306	406.3%	406.3%	4
Decrease (increase) in non-current debtors			–	3	3			
Decrease (increase) other non-current receivables			–		–		-	3
Decrease (increase) in non-current investments			–		–			
Payments								
Capital assets	(18 283)	426	(17 857)	(16 466)	1 391	92.2%	90.1%	(12 331)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(18 183)**	**436**	**(17 757)**	**(16 054)**	**1 703**	**90.4%**	**88.3%**	**(12 325)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans			–		–		-	
Borrowing long term/refinancing			–		–		-	3 300
Increase (decrease) in consumer deposits	50	174	224	(42)	(266)	-18.7%		225
Payments								
Repayment of borrowing	(11 468)	7 287	(4 181)	(4 630)	(448)	110.7%	40.4%	(4 163)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(11 418)**	**7 460**	**(3 958)**	**(4 672)**	**(714)**	**118.1%**	**40.9%**	**(628)**
NET INCREASE/ (DECREASE) IN CASH HELD	(10 000)	(12 695)	(22 695)	(7 184)				2 994
Cash/cash equivalents at the year begin:	10 000	4 111	14 111	14 113				11 119
Cash/cash equivalents at the year end:	(0)	(8 584)	(8 584)	6 929	15 513	-80.7%	-2037831.8%	14 113

ANNEXURE A - DEVIATION REGISTER: PER MONTH - JULY 2016 TO JUNE 2017

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Regs	Authorised By	Value	Order
JULY 2016							
07/07/2016	RENNIES TRAVEL PTY	ACCOMMODATION FOR MR COTANI ,PAMBRA MR ZAHELA TO THE DEPT	ACCOMMODATION FOR MR COTANI ,PAMBRA ,MR ZAHELA TO THE DEPT	s36(1)(a)(v)	AAO	R 5 751.00	46557
25/07/2016	FREMA CONSULTANTS	ADDITIONAL SECURITY SERVICES FOR COUNCILLOR HOUSE IN COOKHOUSE	ADDITIONAL SECURITY SERVICES FOR COUNCILLOR HOUSE IN COOKHOUSE	s36(1)(a)(v)	AO	R 20 611,37	46674
26/07/2016	MORGAN THAVER AND ASSOCIATES	PERFORMANCE MANAGEMENT TRAINING IN EAST LONDON ON THE 26-29	PERFORMANCE MANAGEMENT TRAINING IN EAST LONDON ON THE 26-29	s36(1)(a)(v)	AO	R 3 950.00	46691
27/07/2016	BG SECURITY	SECURITY SERVICES AT FINANCE DEPT	BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES ,THERE IS NO CONTRACT IN PLACE .THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	s36(1)(a)(v)	AAO	R 5 856.98	46714
28/07/2016	SONDLO AND KNOPP ADVERTISING	T10/2016 NEW FENCE AND T11/2016 ACCESS ROAD	T10/2016 NEW FENCE AND T11/2016 ACCESS ROAD	s36(1)(a)(v)	AO	R 21 761.20	46731
				TOTAL FOR JULY 2016:		R 58 920.56	
AUGUST 2016							
02/08/2016	TURNER MORRIS PE	ELECTROMATIC CLUTCH	OF THIS ROLLER AND SPARE PARTS AND THEREFORE THE ON	s36 [illegible]	[illegible]	R 4 [illegible]	[illegible]759
02/08/2016	SOMERSET BUDGET	T10/2016-NEW FENCE,T11/2016	LOCAL NEWSPAPER-ONLY TWO QUOTES RECEIVED AS OTHER AGENCIES ARE NOT INTERESTED IN QUOTING.	s36(1)(a)(v)	AO	R 5 697.72	46755
10/08/2016	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM	DE KLERKS BODY REPAIRS IS THE SERVICE PROVIDER APPROVED BY THE MUNICIPALITY'S INSURER TO CARRY OUT AUTHORISED REPAIRS RELATING TO THIS INSURANCE CLAIM.	s36(1)(a)(v)	AO	R 3 000.00	46780
17/08/2016	B G SECURITY	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCRM AREA.	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCRM AREA.	s36(1)(a)(v)	AO	R 7 810.00	46895
17/08/2016	SMITH TABATA	LEGAL COSTS	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.THIS ISA PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	s36(1)(a)(v)	AO	R 137 807.32	46894
18/08/2016	RENNIES TRAVEL PTY LTD	AIR TICKET AND ACCOMMODATION FOR Z GUSH	ON TUESDAY THE 19TH JULY THE BCRM AREA EXPERIENCED ELECTRICITY INTERRUPTION .THE INCIDENT CAUSED THE BCRM SAMRAS SERVER TO MALFUNCTION RESULTING IN DAMAGES TO THE SERVER THAT CONTAINS THE PAYROLL,SCM AND CONSOLIDATED BILLING AND ITS BACK-UP SYSTEM.ALL ATTEMPTS TO RESOLVETHE PROBLEM IN-HOUSE WERE UNSUCCESFUL RESULTING IN THE MUNICIPALITY TO SEND ZWAI GUSH TO CAPE TOWN IN ORDER TO GET THE PROBLEM ATTENDED AND RESOLVED.	s36(1)(a)(v)	AAO	R 4 234.43	46858
18/08/2016	MLB ARMS & AMUNITION	RADIO REPEATER REPAIRS	THIS IS AN ACCRUAL OF MONTHLY PAYMENTS AS THEY COULD NOT BE PAID AS THEIR REGISTRATION DOCUMENTS WHERE NOT UP TO DATE ,ONLY SERVICE PROVIDER IN OUR AREA WITH THIS SERVICE.	s36(1)(a)(v)	AO	R 6 019.20	46844
19/08/2016	TIMES MEDIA EC	BID NO.T12/2016	OTHER ADVERTISING AGENCIES ARE NO LONGER INTERESTED IN QUOTING.	s36(1)(a)(v)	AO	R 7 612.92	46860
19/08/2016	OZZ KAMANA PHOTOGRAPHY	QUOTES WERE REQUESTED FROM FOUR SERVICE PROVIDERS FOR INAUGURAL COUNCIL THAT WAS MEANT TO SEAT ON 17/08/2016.THE CHEAPEST ONE WHICH IS TROCHEM DOES NOT MEET THE SPECIFICATIONS,THE SECOND CHEAPEST IS MICHAEL SHEEN PHOTOGRAPHY BUT IS NOW NOT AVAILABLE TO RENDER THE SERVICES.	QUOTES WERE REQUESTED FROM FOUR SERVICE PROVIDERS FOR INAUGURAL COUNCIL THAT WAS MEANT TO SEAT ON 17/08/2016.THE CHEAPEST ONE WHICH IS TROCHEM DOES NOT MEET THE SPECIFICATIONS,THE SECOND CHEAPEST IS MICHAEL SHEEN PHOTOGRAPHY BUT IS NOW NOT AVAILABLE TO RENDER THE SERVICES.	s36(1)(a)(v)	AO	R 6 163.00	46863
22/08/2016	B G SECURITY	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEP.PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEP PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	s36(1)(a)(v)	AO	R 3 990.00	46874
31/08/2016	B G SECURITY	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEP.PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEP.PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	s36(1)(a)(v)	AO	R 2 859.12	46933

31/08/2016	LIONEL TRICHARDT AND ASSOCIATE	BILL OF LEGAL COSTS IN RESPECT OF NOLTE SMITH ATTORNEYS	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.	s36(1)(a)(v)	O	R 75 399 26	46947
31/08/2016	LIONEL TRICHARDT AND ASSOCIATE	LEGAL FEES IN RESPECT OF AFRIKANER	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.NOLTE SMIT ATTORNEYS HANDLED THE MATTER OF AFRIKA VS BCRM ON BEHALF OF THE MUNICIPALITY,FROM THE COMMENCEMENT THEREOF BUT, MR NOLTE PASSED AWAY DURING JANUARY 2016 AND THE FIRM WAS TAKEN OVER BY LIONEL TRICHARDT & ASSOCIATES.	s36(1)(a)(v)	AO	R 8 216.78	46948
31/08/2016	ABRAHAMSON & REYNOLDS ATTORNEYS	LEGAL COSTS IN BCRM	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.	s36(1)(a)(v)	AO	R 9 355.98	46964
31/08/2016	SOMERSET BUDGET	PUBLICATION OF NOTICE 51/2016 DISPOSAL OF VARIOUS PROP.	OTHER ADVERTISING AGENCIES ARE NO LONGER INTERESTED IN QUOTING.	s36(1)(a)(v)	AO	R 3 211.85	46968
31/08/2016	A & D POWER	CABLE FAULT FINDING IN COOKHOUSE	ON 29 JULY 2016 COOKHOUSE POWER TO THE SEWERAGE PLANT.THE FEEDER TO THE PLANT WAS FAULTY AND WE CALLED A& D POWER WHO IS THE ONLY SUPPLIER IN BCRM DATABASE SPECIALISING IN CABLE LOCATION AND JOINTING TO ASSIST IN LOCATING THE FAULT AND REPAIR THE CABLE.	s36(1)(a)(v)	AO	R 8 502.12	46972
				TOTAL FOR AUGUST 2016:		R 244 854.10	
SEPTEMBER 2016							
02/09/2016	BG SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES ,THERE IS NO CONTRACT IN PLACE ,THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	s36(1)(a)(v)	AO	R 5 950.86	47002
02/09/2016	CHRIS BAKER ASSOCIATES	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.THIS ISA PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.THIS ISA PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	s36(1)(a)(v)	AO	R 9 712.23	47006
05/09/2016	ALGOA TOYOTA	ESTIMATE: SERVICE OF HINO TRUCK FSY525EC	THE HINO ALGOA DEALERSHIP IN PORT ELIZABETH IS THE ONLY ACCREDITED DEALERSHIP WITHIN THE SARAH BAARTMAN DISTRICT MUNICIPALITY WHICH DEALS WITH THE SERVICE AND MAINTENANCEOF THESE HINO TRUCKS.A QUOTATION WAS RECENTLY OBTAINED FROM STATUS TOYOTA IN CRADOCK AND THE REPLACEMENT PARTS DIFFER.	s36(1)(a)(v)	AO	R 9 023.90	47019
09/09/2016	ALGOA TOYOTA	75000KM SERVICE AS PER QUOTATION	SERVICE TO BE DONE BY THE AGENTS WHICH IS HINO ALGOA IN PORT ELIZABETH	s36(1)(a)(v)	AO	R 3 696.40	47059
14/09/2016	B G SECURITY	GUARD DUTIES AT BESTERSHOEK 01/08/2016-31/08/2016 CIT SERVICES AT BESTERSHOEK	THERE IS NO FORMAL CONTRACT FOR SECURITY SERVICES WITH BG SECURITY BUT THESE SERVICES ARE NEEDED IN BESTRSHOEK TO SECURE MUNICIPAL PROPERTY.THERE IS ALSO CASH IN TRANSIT ATTACHED TO THESE SERVICES AND BG SECURITY IS THE ONLY SECURITY COMPANY DOING IT LOCALLY.	s36(1)(a)(v)	AO	R 18 787.44	47097
14/09/2016	TRUVELLO MANUFACTURING	CALIBRATION	SOLE SERVICE PROVIDER	s36(1)(a)(v)	AO	R 4 823.04	47096
14/09/2016	B G SECURITY	TELEPHONE SERVICES WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEP.PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	s36(1)(a)(v)	AO	R 2 859.12	47105
15/09/2016	BG SECURITY	BG SECURITY IS UTILISED PRIOR 2006.THE MUNICIPALITY DID GO ON TENDER FOR SECURITY SERVICE BUT IT WAS DECIDED THAT IT WILL NOT BE AWARDED AS COUNCIL WILL EMPLOY PERMANENT STAFF TO PERFORM THIS FUNCTION AS SOON AS POSSIBLE.	BG SECURITY IS UTILISED PRIOR 2006.THE MUNICIPALITY DID GO ON TENDER FOR SECURITY SERVICE BUT IT WAS DECIDED THAT IT WILL NOT BE AWARDED AS COUNCIL WILL EMPLOY PERMANENT STAFF TO PERFORM THIS FUNCTION AS SOON AS POSSIBLE.	s36(1)(a)(v)	AO	R 3 990.00	47109

15/09/2016	NORTHFIELD ENGINEERING	ON THURSDAY 01/09/2016 AN INGRESS OF WATER CAUSED AND IRREPARABLE DAMAGE TO THE PLC CONTROLLING ORANGE FISH WATER TREATMENT PLANT.THIS RESULTED IN STORAGE DAM LEVELS DROPPING AND LEAVING COMMUNITIES WITHOUT WATER AND CURRENTL WATER IS DELIVERED BY WATER TANKS WHICH CANNOT KEEP UP WITH THE DEMAND.THE PLC CONTROL PANEL NEED TO BE REPLACED AS A MATTER OF URGENCY SO THAT NORMAL PUMPING OF THE WATER COULD BE RESTORED.	ON THURSDAY 01/09/2016 AN INGRESS OF WATER CAUSED AND IRREPARABLE DAMAGE TO THE PLC CONTROLLING ORANGE FISH WATER TREATMENT PLANT.THIS RESULTED IN STORAGE DAM LEVELS DROPPING AND LEAVING COMMUNITIES WITHOUT WATER AND CURRENTL WATER IS DELIVERED BY WATER TANKS WHICH CANNOT KEEP UP WITH THE DEMAND.THE PLC CONTROL PANEL NEED TO BE REPLACED AS A MATTER OF URGENCY SO THAT NORMAL PUMPING OF THE WATER COULD BE RESTORED.	s36(1)(a)(v)	AO	R 254 044.44	47113
16/09/2016	BG SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES ,THERE IS NO CONTRACT IN PLACE ,THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	s36(1)(a)(V)	AAO	R 5 956.98	47127
19/09/2016	BYTES TECHNOLOGY GROUP SOUTH AFRICA	SUPPORT WITH IRP5 2016	THE FINANCIAL SYSTEM THAT THE MUNICIPALITY USE BYTES SYSTEM INTEGRATION-SAMRAS.THE MUNICIPALITY DO HAVE A SLA IN PLACE.THE SUPPORT WITH THE IRP5 2016/02 THAT MUST BE RE-SUBMITTED TO SARS	s36(1)(a)(v)	AO	R 7 740.60	47133
20/09/2016	UNIVERSL EQUIPMENT (PTY) LTD	GRADER BLADE ONLY AVAILABLE FROM THE AGENTS WHICH IS UNIVERSAL EQUIPMENT.ONLY TWO AGENTS IN THE EASTERN CAPE THAT CAN QUOTE IN THE PARTICULAR BLADE .	GRADER BLADE ONLY AVAILABLE FROM THE AGENTS WHICH IS UNIVERSAL EQUIPMENT.ONLY TWO AGENTS IN THE EASTERN CAPE THAT CAN QUOTE IN THE PARTICULAR BLADE .	s36(1)(a)(v)	AO	R 4 617.34	47142
22/09/2016	ALGOA TOYOTA	110000 KM SERVICE AS PER QUOTATION	SERVICE TO BE DONE BY THE AGENTS WHICH IS HINO ALGOA IN PORT ELIZABETH	s36(1)(a)(v)	AO	R 2 868.78	47168
23/09/2016	BILLY BOTHA ONDERNEMINGS	50000 KM SERVICE AS PER QUOTATION	SERVICE TO BE DONE BY THE AGENTS WHICH IS BILLY BOTHA IN CRADOCK ALSO THE CLOSEST TO SOMERSET EAST	s36(1)(a)(v)	AO	R 3 032.10	47173
20/09/2016	BG SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES ,THERE IS NO CONTRACT IN PLACE ,THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	s36(1)(a)(v)	AO	R 5 956.98	47144
14/09/2016	B G SECURITY	ALARM AND SECURITY SERVICES FOR SEPTEMBER 2016 IN VARIOUS BUILDING	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCRM AREA	s36(1)(a)(v)	AO	R 7 810.00	47109
				TOTAL FOR SEPTEMBER 2016		R 350 876.93	

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Regs	Authorised By	Value	Order
OCTOBER 2016							
25/10/2016	B G SECURITY	TELEPHONE AND LABOUR	THIS IS AN AFTERHOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS.THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	s36(1)(a)(v)	AO	R 3 990.00	47416
06/10/2016	TIMES MEDIA EC	PLACEMENT OF NOTICE 61/2016:VACANCY DIRECTOR FINANCE	NO SERVICE AGENCY IS INTERESTED IN QUOTING HENCE JUST QUOTES	s36(1)(a)(v)	AO	R 5 109.46	47269
06/10/2016	B G SECURITY		BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS THE ALARMS & MONITORING SYSTEM IN THE AREA WITH RESPONSE.THE SYSTEM IN THE PARTICULAR BUILDING WHICH WAS INSTALLED BY BG SECURITY WAS VANDALISED WHEN THE BUILDING WAS VANDALISED. THE CASHIR AND THE CREDIT NEGOTIATORS OFFICE IN THE BUILDING HAVE BEEN REFURBSHED AND ARE GOING TO BE IN OPERATION.THE ALARM AND MONITORING NEED TO BE RECONNECTED AND ACTIVATED HENCE THE USE OF BG SECURITY	s36(1)(a)(v)	AO	R 9 023.90	47270
07/10/2016	SONDLO AND KNOPP ADVERTISING	TENDER NO:T14/2016 SUPPLY AND DELIVERY OF MATERIAL FOR STORES	WE REQUESTED QUOTATIONS FROM SONDLO AND KNOPP,HERALD AND DAILY DISPATCH DID NOT RESPOND ,WE ARE GOING TO USE HERALD BECAUSE CAN REACH EVERYONE	s36(1)(a)(v)	AO	R 6 887.88	47296
13/10/2016	TIMES MEDIA EC	T15/2016-UPGRADING OF WWTW: FENCE	WE REQUESTED QUOTATIONS FROM SONDLO AND KNOPP,HERALD AND DAILY DISPATCH ,ONLY HERALD AND SONDLO KNOPP RESPONDED. OTHER AGENCIES ARE NOT INTERESTED IN QUOTING	s36(1)(a)(v)	AO	R 15 313.40	47336

17/10/2016	WILLARDS TRAVEL SERVICES PTY LTD	FLIGHT FROM PE TO CAPE TOWN AND BACK	QUOTES WERE SOURCED FROM THE THREE TRAVEL AGENCIES FROM OUR DATABASE INCLUDING A FOURTH ONE THAT IS WILLING TO REGISTER ON THE CSD AND OUR FINANCIAL SYSTEM.RENNIES DID NOT QUOTE ON THE CAR HIRE AS THEY DO NOT PROVIDE THE SERVICE TO THE MUNICIPALITY.XL BAY QUOTED ON CAR HIRE WITH A CONDITION THAT THE MUNICIPALITY PAYS WITH A CREDIT CARD UPFRONT AN AMOUNT OF R5 963.00 AS A DEPOSIT FOR CAR HIRE. THIS THE REASON THAT WILLARDS TRAVEL IS BEING USED	s36(1)(a)(v)	AO	R 12 007.86	47336
18/10/2016	BYTES TECHNOLOGY GROUP	SAMRAS BUDGETING (MSCOA) TRAINING AT GEORGE TRAINING CENTRE	SAMRAS BUDGETING (MSCOA) TRAINING AT GEORGE TRAINING CENTRE ONLY.MR MEYER IS GOING TO ATTEND THE TRAINING TO BE HELD IN GEORGE AS IT IS THE NEAREST SAMRAS TRAINING CENTRE	s36(1)(a)(v)	AO	R 5 400.00	47367
20/10/2016	TIMES MEDIA EC	NOTICE-ESTABLISHMENT OF WARD COMMITTEES FOR 2016-2021	WE WOULD LIKE TO ADVERTISE ON THE HERALD, BECAUSE EVERYBODY CAN REACH THE HERALD NEWSPAPER.THE SOMERSET BUDGET IS NOW ONLY ONLINE AND THE DEPARTMENT WAS GOING TO PLACE NOTICES IN TOWN.COUNCIL INSTRUCTED US TO ADVERTISE IN PRINT MEDIA TO ENSURE WE CANT BE CHALLENGED IN COURT.	s36(1)(a)(v)	AAO	R 8 667.20	47394
21/10/2016	BG SECURITY	SECURITY SERVICES AT TOWN HALL	BG SECURITY SUPPLY THE FINANCIAL SER VICES - CASH IN TRANSIT,GUARD DUTIES AT CASHIERS OFFICE AND STANDBY DUTIES THERE IS NO CONTRACT IN PLACE,THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	s36(1)(a)(v)	AO	R 5 956.98	47398
21/10/2016	FREMA CONSULTANTS	SECURITY SERVICES AT COOKHOUSE	WE REQUESTED QUOTATIONS FROM VUKUZENZELE,BG AND FREMA CONSULTANTS,VUKUZENZELE DID NOT RESPOND .THE SECURITY SERVICES NEEDED URGENTLY.	s36(1)(a)(v)	AAO	R 100 182.54	47401
13/10/2016	SMITH TABATA INCORPORATED	LEGAL COST IN RESPECT OF INVOICE 245050.245051 AND 245052	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.THIS ISA PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	s36(1)(a)(v)	AO	R 64 009.80	47333
25/10/2016	B G SECURITY	ALARM AND SECURITY SERVICES FOR SEPTEMBER 2016 IN VARIOUS BUILDING	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCRM AREA.	s36(1)(a)(v)	AO	R 7 510.00	47417
04/10/2016	ASD INTERNATIONAL	DUSTBIN TROLLIES AS PER SAMPLE	THERE ARE ONLY TWO SERVICE PROVIDERS THAT MAKE TROLLIES SPECIFIC TO OUR NEEDS.ONLY TWO QUOTATIONS WERE OBTAINED.	s35(1)(a)(v)	AO	R 16 416.00	47251
25/10/2016	KAT LEISURE PTY LTD	ACCOMMODATION FOR S SCHEEPERS	PLACES ARE FULLY BOOKED IN EAST LONDON .THE TRAVEL AGENCIES ARE FULLY BOOKED.ONLY ONE QUOTATION BECAUSE OF ABOVE REASONS	s36(1)(a)(v)	AO	R 2 600.00	47418
31/10/2016	RENNIES TRAVEL PTY LTD	FLIGHT AND ACCOMMODATION FOR MS S HANABE TO ATTEND MSCOA	INITIALLY THREE QUOTES WERE REQUESTED FROM THE TRAVELLING AGENCIES,BUT DUE TO CHANGE OF DATES FROM THE SERVICE PROVIDER OFFERING THE TRAINING ,WE COULD NOT BE ABLE TO GET OTHER 2 QUOTES,SO DUE TO TIME ONLY ONE QUOTE WAS OBTAINED.	s36(1)(a)(v)	AAO	R 14 882.52	47434
				TOTAL FOR OCTOBER 2016		R 380 247.26	
NOVEMBER 2016							
03/11/2016	ALLCUT POWER PRODUCTS	REPAIR CHAINSAW	THE CHAINSAWS WERE BOUGHT FROM ALLCUT , WHEN RETURNED FOR REPAIRS UNDER GUARANTEE WE WERE INFORMED THAT THE GUARANTEE DOES NOT COVER THE MOVABLE PARTS. HOWEVER SINCE THE SAWS WERE SENT TO ALLCUT IT MAKES SENSE FINANCIALLY TO HAVE THE REPAIRS DONE THERE INSTEAD OF BEING SENT TO ANOTHER COMPANY WHICH WOULD BE IMPRACTICAL.WE THEREFORE RESPECTFULLY ASK PERMISSION TO WAIVE NORMAL PROCUREMENT PROCESSES	s36(1)(a)(v)	AO	R 4 844.40	47470
03/11/2016	B G SECURITY	TELEPHONE SERVICES WATER DEPT.	BG SECURITY IS UTILISED PRIOR 2006.THE MUNICIPALITY DID GO ON TENDER FOR SECURITY SERVICE BUT IT WAS DECIDED THAT IT WILL NOT BE AWARDED AS COUNCIL WILL EMPLOY PERMANENT STAFF TO PERFORM THIS FUNCTION AS SOON AS POSSIBLE.	s36(1)(a)(v)	AO	R 3 990.00	47468
08/11/2016	B G SECURITY	TELEPHONE SERVICES WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AAO	R 2 858.12	47482
08/11/2016	BG SECURITY	TELEPHONE SERVICES WATER DEPT.	BG SECURITY IS UTILISED PRIOR 2006,THE MUNICIPALITY DID GO ON TENDER FOR SECURITY SERVICE BUT IT WAS DECIDED THAT IT WILL NOT BE AWARDED AS COUNCIL WILL EMPLOY PERMANENT STAFF TO PERFORM THIS FUNCTION AS SOON AS POSSIBLE	s36(1)(a)(v)	AO	R 2 859.12	47492

14/11/2016	KRUIPER SPARES	LINING STRAPS AND TENSION SPRINGS	ONLY 2 QUOTATION,THIRD COMPANY CANNOT GET HOLD OFF AND ALSO NOT REGISTERED.	s36(1)(a)(v)	AO	R 2 017.80	47539
04/11/2016	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM	DE KLERKS BODY REPAIRS IS THE SERVICE PROVIDER APPROVED BY THE MUNICIPALITY'S INSURER TO CARRY OUT AUTHORISED REPAIRS RELATING TO THIS INSURANCE CLAIM	s36(1)(a)(v)	AO	R 644.23	47480
09/11/2016	KORBITEC PTY LTD T/A WINDEED	PROPERTY INQUIRY DEEDS	THE SERVICEIS CURRENTLY ONLY AVAILABLE FROM KORBITEC WITH WHOM THE BCRM IS CURRENTLY REGISTERED.	s36(1)(a)(v)	AO	R 3 109.70	47505
22/11/2016	BG SECURITY	GUARD DUTIES AT BESTERSHOEK,MAYORS HOME AND AIRPORT	AGREEMENT ON CONTINUING WITH THE SERVICES UNTIL FEB 2017AND THE TENDER MUST BE AWARDED BY THEN.	s36(1)(a)(v)	AO	R 302 645.42	
03/11/2016	CHRIS BAKER ASSOCIATES	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.THIS ISA PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.THIS ISA PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	s36(1)(a)(v)	AO	R 12 933.85	47487
09/11/2016	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 32 500.41	47500
09/11/2016	B G SECURITY	ALARM SECURITY SERVICES FOR NOVEMBER 2016 AT VARIOUS BUILDING	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM IN BCRM AREA.	s36(1)(a)(v)	AO	R 7 810.00	47499
24/11/2016	SONDLO AND KNOPP ADVERTISING	PUBLICATION OF NOTICE 67/2016 RE ORDINARY COUNCIL MEETING	WE REQUESTED QUOTATIONS FROM HERALD,SONDLO AND KNOPP,WE USE HERALD NEWSPAPER BECAUSE IT CAN REACH EVERYBODY.	s36(1)(a)(v)	AO	R 3 611.52	47624
24/11/2016	SONDLO AND KNOPP ADVERTISING	PUBLICATION OF NOTICE 68/2016	WE REQUESTED QUOTATIONS FROM HERALD,SONDLO AND KNOPP,WE USE HERALD NEWSPAPER BECAUSE IT CAN REACH EVERYBODY.	s36(1)(a)(v)	AO	R 4 514.40	47625
			TOTAL FOR NOVEMBER 2016			R 384 238.97	

DECEMBER 2016

08/12/2016	B G SECURITY	TELEPHONE SERVICES WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 2 659.12	47695
01/12/2016	B G SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	CIT -BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES,GUARD DUTIES AT CASHIER OFFICE STANDBY DUTIES	s36(1)(a)(v)	AAO	R 5 975.12	47655
09/12/2016	B G SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	CIT - BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES,GUARD DUTIES AT CASHIER OFFICE STANT BY DUTIES.	s36(1)(a)(v)	AAC	R 5 975.12	47705
09/12/2016	B G SECURITY	GUARD DUTIES AT BESTERSHOEK,MAYOR'S HOME AND AIRPORT	AGREEMENT ON CONTINUING WITH THE SERVICES UNTIL FEB 2017AND THE TENDER MUST BE AWARDED BY THEN.	s36(1)(a)(v)	AAO	R 55 867.84	47699
13/12/2016	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM	DE KLERKS BODY REPAIRS IS THE SERVICE PROVIDER APPROVED BY THE MUNICIPALITY'S INSURER TO CARRY OUT AUTHORISED REPAIRS RELATING TO THIS INSURANCE CLAIM	s36(1)(a)(v)	AO	R 1 187.03	47716
07/12/2016	B G SECURITY	ALARM SECURITY SERVICES FOR DECEMBER 2016 AT VARIOUS BUILDING	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM IN BCRM AREA.	s36(1)(a)(v)	AO	R 7 897.10	47717
			TOTAL FOR DECEMBER 2016			R 79 852.33	

JANUARY 2017

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Reg#	Authorised By	Value	Order
14/12/2016	B G SECURITY	AFTER HOURS SERVICES	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AAO	R 3 990.00	47733

21/12/2016	FREMA CONSULTANTS	SECURITY SERVICES 23DEC 2016-JANUARY 2017.	PREVIOUSLY FREMA CONSULTANTS WAS USED UNTIL 30 JUNE 2016 WHEN SECURITY SERVICES CONTRACTS WERE TERMINATEDIN ANTICIPATION FOR A TENDER THAT WAS SUPPOSED TO BE ADVERTISED AND AWARDED BEFORE 30 JUNE 2016.THE TENDER WAS NEVER ADVERTISED .NOW THE SECURITY IS NEEDED AT THE SLEU(AND THE RECOMMENDATION IS THAT WE USE FREMA(ONE OF THE TWO SECURITY COMPANIES IN OUR AREA REGISTERED WITH [illegible] WERE PREVIOUSLY ON SITE	s36(1)(a)(v)	AAO	R 18 247.72	47749
18/01/2017	ASD INTERNATIONAL	SUPPLY 4KW 400V MOTOR	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AAO	R 2 859.12	47482
23/01/2017	UNIVERSAL EQUIPMENT	1500 HOUR SERVICE AS PER QUOTATION	SERVICE DONE BY AGENTS WHICH IS UNIVERSAL EQUIPMENT UNDER GUARANTEE	s36(1)(a)(v)	AO	R 31 475.54	47837
08/02/2017	B G SECURITY	AFTER HOURS SERVICES	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 3 990.00	47826
22/02/2017	A&D POWER	CABLE FAULT FINDING(MAIN SUBSTATION) REPAIRS ON CABLE	ON SATURDAY 15 JANUARY 2017,WIRQUIN FEEDER TRIPPED IN THE MAIN SUBSTATION AND THE PROBLEM WAS THE CABLE .THE FEEDER WAS ISOLATED AND WIRQUIN WAS FED VIA A RING FEED FROM COLLEGE SUB.THE ELECTRICAL SERVICES DEPARTMENT ASKED FOR THE SERVICES OF A&D TO ASSIST TO LOCATE THE FAULT AND JOIN THE CABLE.WIRQUIN IS AN INDUSTRY AND CANNOT FUNCTION WITHOUT A FIRM SUPPLY THAT IS WHY THE CABLE HAD TO BE IMMEDIATELY REPAIRED. A&D IS THE ONLY SERVICE PROVIDER THAT DOES EMERGENCY REPAIRS IN BCRM DATABASE.	s36(1)(a)(v)	AO	R 23 032.56	48023
23/02/2017	B G SECURITY	TELEPHONE SERVICES-WATER	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 2 859.12	48040
01/03/2017	POSTMA& POSTMA PTY LTD	ON THE LORE & PROVIDE REPORT STRIP THE MOTOR STATOR WINDINGS	A 11KW TRAFFIC DEPARTMENT TEST STATION MOTOR BURNT OUT BECAUSE OF FLOODING INSIDE THE TEST STATION.THERE IS ONLY ONE SERVICE PROVIDER IN BCRM DATABASE THAT IS DOING MOTOR REWINDING SERVICES POSTMA AND POSTMA.THE TRAFFIC DEPARTMENT IS UNABLE TO DO A FULL TEST ON VEHICLES AND THUS LOSING VALUABLE INCOME.	s36(1)(a)(v)	AO	R 7 787.34	48084
14/03/2017	TELERAY	REPLACE 2 MOD-MODULATORS SUNDRIES	TELERAY IS THE ONLY SERVICE PROVIDER THAT WORK ON TELEVISION STATIONS AND VIVID DECODERS SYSTEMS IN THE EASTERN CAPE.	s36(1)(a)(v)	AO	R 7 524.00	48183
14/03/2017	HASLOP & MASON ENGINEERING	CONTACTOR	ON SUNDAY 18 OCTOBER 2016 THE ORANGE FISH WATER TREATMENT PLANT STARTECONTACTOR BURNT OUT AND WHEN ENQUIRIES WERE MADE FROM SUPPLIERS,HASLOP AND MASONHAD THE CONTACTOR ON THE SHELF AND WAS WILLING TO ASSIST BCRM WITH.AN ARRANGEMENT WAS MADE FOR IT TO BE FETCHED FROM PORT ELIZABETH.THE ELECTRICIAN ON STANDBY FAILED TO DO THE NECESSARY PAPER WORK AFTER FETCHING THE CONATCTOR FROM THE SUPPLIER AS A RESULT THE SUPPLIER WAS NOT PAID.	s36(1)(a)(v)	AO	R 3 136.14	48192
14/03/2017	QUICKELS/RA TRANSPORT	ANNUAL SERVICE OF MOTOR VEHICLE LIFT	OTHER SERVICE PROVIDERS ARE NOT ABLE OR WILLING TO QUOTE .	s36(1)(a)(v)	AO	R 3 306.00	48194
17/03/2017	TOEKOMST CONSTRUCTION	50KVA TRANSFORMER	2 TRANSFORMERS WERE LOST LAST WEEK DUE TO HEAVY THUNDERSTORMS AND TWO BCRM CUSTOMERS ARE WITHOUT POWER SINCE LAST WEEK.FOUR TRANSFORMERS HAD BEEN ORDERS FROM ARB AND BECAUSE OF THE LONG LEAD TIME(12 WEEKS) THEY WILL BE DELIVERED IN APRIL.	s36(1)(a)(v)	AO	R 47 310.00	48220
31/01/2017	SONDLO AND KNOPP	T01/2017-SOMERSET EAST SUBSTATION ,FRANCISVALE RING MAIN UNIT AND WESTVIEW MINISUB UPGRADE.	ONLY ONE ADVERTISING AGENCY IS WILLING TO QUOTE FOR US.	s36(1)(a)(v)	AO	R 4 100.00	47862
31/01/2017	TIMES MEDIA EC	T02/2017-SUPPLY AND DELIVERY OF BUILDING MATERIAL FOR COOKHOUSE CHANGING ROOM	WE ARE ADVERTISE ON THE HERALD SINCE IT CAN BE REACHED BY EVERYONE.	s36(1)(a)(v)	AO	R 3 727.50	47866

03/02/2017	B G SECURITY	CIT TRANSPORT	BG SECURITY IS THE ONLY SERVICE PROVIDER LOCALLY THAT OFFERS THE CASH IN TRANSIT SERVICES.GUARD DUTIES AT CASHIER OFFICE IN TOWN HALL SOMERSET EAST.NO CONTRACT IN PLACE THE MUNICIPALITY IS IN PROCESS OF GOING OUT ON TENDER.	s36(1)(a)(v)	AO	R 5 975 17	47904
24/02/2017	SONDLO AND KNOPP ADVERTISING	T03/2016-SOMERSET EAST,COOKHOUSE AND PEARSTON STREET LIGHTS	QUOTATIONS WERE REQUESTED FROM INISWA PROMOTIONS ,SONDLO AND KNOPP AND HERALD.INISWA IS THE CHEAPESTBUT WE CANTUSE THEM BECAUSE THEIR TAX STATUS IN NON-COMPLIANT HENCE WE ARE USING SONDLO & KNOPP	s36(1)(a)(v)	AO	R 4 473.36	48063
22/12/2017	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 11 001.00	47753
20/01/2017	TIMES MEDIA	PUBLICATION OF NOTICES 02&03/2017SPECIAL COUNCIL MEETING	WE ADVERTISE ON THE HERALD SINCE HERALD CAN BE REACHED BY EVERYONE.	s36(1)(a)(v)	AO	R 9 692.28	47629
20/01/2017	TIMES MEDIA	PUBLICATION OF NOTICES 02&03/2017SPECIAL COUNCIL MEETING	WE ADVERTISE ON THE HERALD SINCE HERALD CAN BE REACHED BY EVERYONE.	s36(1)(a)(v)	AO	R 9 692.28	47629
17/03/2017	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 193 748.19	48219
17/03/2017	CHRIS BAKER AND ASSOCIATES INC	OCTOBER INVOICES, NOVEMBER INVOICES	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER CHRIS BAKER AND ASSOCIATES ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 18 398.19	48217
28/03/2017	SONDLO AND KNOPP ADVERTISING	PUBLICATION OF NOTICE 14/2017 COUNCIL MEETING	ONLY ONE ADVERTISING AGENCY IS WILLING TO QUOTE FOR US.	s36(1)(a)(v)	AAO	R 4 668.30	48258
23/03/2017	NELSON MANDELA METROPOLITAN UNIVERSITY	STUDY FEESFOR NJ QOLO	THE INSTITUTION WAS THE EMPLOYEES' CHOICE FOR UNDERTAKING THEIR STUDIES IN (B TECH) ENVIRONMENTAL HEALTH SERVICES.	s36(1)(a)(v)	AO	R 35 320.88	48234
27/01/2017	HINO ALGOA	SERVICE FOR 30 000KM FOR HMN448EC	THE TRUCK WAS BOUGHT FROM THE SERVICE AND THEY HAVE BEEN DOING ITS SERVICE.	s36(1)(a)(v)	AO	R 5 796.75	47850
27/01/2017	HINO ALGOA	SERVICE FOR 30 000KM FOR HMN448EC	THE TRUCK WAS BOUGHT FROM THE SERVICE AND THEY HAVE BEEN DOING ITS SERVICE.	s36(1)(a)(v)	AO	R 5 796.75	47850
13/03/2017	TRUVELO MANUFACTURING	CALIBRATION PROLASER	TRUVELO IS THE MANUFACTUREOF THE EQUIPMENT IN THE TRAFFIC SECTION HENCE THEY ARE THERE ONLY ONES THAT CALIBRATE THE MACHINES.	s36(1)(a)(v)	AAO	R 5 306.34	48178
22/03/2017	FULCRUM TECHNOGIES	TAPE MEASURE STRAIGHT EDGE	THERE ARE ONLY 2 SERVICE PROVIDERS IN THE COUNTRY.	s36 1 (a)(v)	AAO	R 14 421.00	48[illegible]
02/02/2017	PRINTEGRATION	CALL OUT	PRINTEGRATION IS THE ONLY PROVIDEROR SUPPLIER THAT WORKS OR DOES REPAIRS ON THE TALLYPRINTERS.	s36(1)(a)(v)	AO	R 5 775.92	47888
03/02/2017	SONDLO AND KNOPP ADVERTISING	ADVERT FOR ANNUAL REPORT2015/2016	COULD NOT OBTAIN 3 QUOTATIONS ,EMAILS SENT TO OTHER ADVERTISING AGENCIESDUE TO TIME CONSTRAINTSAND NO RESPONSE FROM THE AGENCIES WE WILL BE USIG SONDLO AND KNOPPSADVERTISING BEING THE CHEAPEST ADVERTISING AGENCY ON THE 2 OBTAINED.	s36(1)(a)(v)	AO	R 4 668.30	47894
03/02/2017	XL BAY	ACCOMMODATION AND SHUTTLE FOR S NKUNTAYI	WE HAVE RECEIVED THREE QUOTATION FROM RENNIES TRAVEL ,WILLARDS & XL BAY,WILLARDS IS THE CHEAPEST BUT WE DIDN'T GET ALL SERVICES REQUIRED.	s36(1)(a)(v)	AAO	R 8 018.54	47806

14/02/2017	BYTES TECHNOLOGY GROUP	SAMRAS TRAINING (TECHNICAL ADMINISTRATOR)	BYTES IS THE CURRENT SERVICE PROVIDER OF OUR CURRENT FINANCIAL SYSTEMSAND THE TRAINING IS ONLY OFFERED BY THEM ON HOW TO ADMINISTER THE NEW FINANCIAL SYSTEMS	s36(1)(a)(v)	AO	R 5 400.00	47[illegible]
21/02/2017	FISH RIVER SUN HOTEL	STRATEGIC PLANNING FOR 30 PEOPLEAT FISH RIVER SUN	3 QUOTES WERE SOUGHT AND THE FISH RIVER SUN WAS THE LOWEST, EVEN THOUGH ADVERTISEMENT PROCESS CAN BE UNDERTAKEN,BUT DUE TO PAST EXPERIENCE DURING THE PREVIOUS STRAT PLAN WHEREIN ONLY MPEKWENI RESORT RESPONDED TO THE ADVERT AND DUE CASHFLOW CHALLENGES THE MUNICIPALITY IS FACINGAND LACK OF GUARANTEE THAT THE ACCOMMODATION WILL BE AVAILABLE AFTER 7 DAYS ADVERT	s36(1)(a)(v)	AO	R 42 540.00	48014
				January to March 2017		R 554 033.52	

ANNEXURE A– DEVIATIONS 01 APRIL TO 30 JUNE 2017

Date	Company Name	Description of Goods / Services	Reason for Deviation	SCM Regs	Authorised By	Value	Order
07/04/2017	ALGOA TOYOTA	80000KM SERVICE AS PER QUOTATIONS - FTY 745	SERVICE TO BE DONE BY AGENTS WHICH IS HINO ALGOA	s36(1)(a)(v)	AAO	R 3 089.05	48322
20/04/2017	A&D POWER	REPAIR OF CABLE AT BOSBERG SUBSTATION	ON 24 MARCH 2017 A RING MAIN UNIT CABLE IN BOSRIVIERDEVELOPED A FAULT DUE TO HEAVY THUNDERSTORMS AND AREA OF THE TOWN ,PAULET STREET AND WESTVIEW WERE LEFT WITHOUT POWER. A& D WHICH IS THE ONLY SERVICE PROVIDERIN BCRM DATABASE THAT DOES CABLE FAULT AND REPAIRS WAS CALLED TO ASSIST WITH THE EMERGENCY REPAIRS TO RESTORE POWER.	s36(1)(a)(v)	AO	R 21 848.60	48377
20/04/2017	A&D POWER	REPAIR OF MINI SUBSTATION	ON 24 MARCH 2017 A MINISUBSTATION IN NKOANTOSI SOMERSET EAST WAS DAMAGED BY LIGHTNING AND JOHNSON NGONGOZA HIGH SCHOOL AS WELL AS NKOANTOSI WERE LEFT WITHOUT POWER.A&D POWER WHICH IS THE ONLY SERVICE PROVIDER THAT IS BCRM DATABASE THAT DOES TESTING AND REPAIRS ON MINISUBSTATIONS WAS CALLED TO ASSIST WITH THE EMERGENCY REPAIRS.	s36(1)(a)(v)	AO	R 29 400.60	48378
06/04/2017	SONDLO AND KNOPP ADVERTISING CC	FW003/2017 T04/2017 T06/2017 T07/	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s36(1)(a)(v)	AO	R 5 984.48	48307
18/04/2017	SONDLO AND KNOPP ADVERTISING CC	T08/2017-SOMERSET EAST,COOKHOUSE AND PEARSTON STREET LIGHT PROJECT	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s36(1)(a)(v)	AO	R 12 874.52	48365
07/04/2017	BLUE CRANE PRINTERS	PUBLICATION OF NOTICE 17/2017	WE ARE ADVERTISING IN THE LOCAL PAPER .HAARTLANDNUUS IS THE ONLY SERVICE PROVIDER IN AREA	s36(1)(a)(v)	AO	R 2 346.1[illegible]	48317
07/04/2017	BG SECURITY	ALARM SERVICES AT VARIOUS BUILDINGS	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCRM AREA.	s36(1)(a)(v)	AO	R 7 280.00	48312
07/04/2017	CHRIS BAKER AND ASSOCIATES INC	G SAMMY INVOICE C15952	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER CHRIS BAKER AND ASSOCIATES ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 4 142.33	48313
25/04/2017	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 92 475.39	48411
25/04/2017	SONDLO AND KNOPP	ADVERT FOR VACANT POSITION	WE REQUESTED QUOTATIONS FROM SONDLO AND KNOPP,DAILY DISPATCH AND HERALD.DAILY DISPATCH DID NOT RESPOND.	s36(1)(a)(v)	AAO	R 6 [illegible]	48417
06/04/2017	MEDIA TIMES	NOTICE NO15/2017 DRAFT IDP 2017-2022	WE REQUESTED QUOTATION FROM THE SINCE IT CAN BE REACHED BY EVERYONE.AND IS THE CHEAPEST FROM SONDLO AND KNOPPADVERTISING AGENCY.	s36(1)(a)(v)	AO	R 5 591.70	48306

21/04/2017	TRACKOS	REPLACEMENT BATTERY FOR 15 KVA UPS	CURRENTLY WE HAVE GOT A MAINTENANCE AGREEMENT WITH TRACKOS FOR THE SERVICE ROOM ON THE PREVIOUS SERVICE TERM ON THE UPS IT WAS NOTICED THE BATTERIES WERE FAULTY AND NEEDED TO BE REPLACED.SO WE BUY THE BATTERIES FROM TRACKOS AS THEY ARE THE ONE WHO MUST REPLACE THEM UNDER THE MAINTENANCE CONTRACT.UPS INCORPORATED INTO THE SERVER SYSTEM THAT WAS DONE BY TRACKOS AND HAS A MAINTENANCE PLAN.	s36(1)(a)(v)	AO	R 6 660.40	48380
03/05/2017	BG SECURITY	AFTER HOURS SERVICE	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ALL ELECTRICAL PROBLEMS AFTER HOURS.THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 3 990.00	48450
15/05/2017	AFROX	ARGON TEC,ACENT TEC AND OXYCYL	SOLE PROVIDER OF AFROX GAS	s36(1)(a)(v)	AO	R 3 184.88	48526
04/05/2017	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM:807215	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCRM VEHICLES.DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCRM AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING.DE KLERK'S BODY IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE CSD.	s36(1)(a)(v)	AO	R 3 000.00	48456
04/05/2017	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM:808758	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCRM VEHICLES.DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCRM AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING.DE KLERK'S BODY IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE CSD	s36(1)(a)(v)	AO	R 3 000.00	48457
04/05/2017	SONDLO AND KNOPP ADVERTISING	T09/2017-UPGRADE OR REFURBISHMENT OF CIVIL WORKS IN THE MAIN ELECTRICAL SUBSTATION	OTHER ADVERTSING AGENCIES ARE NOT INTERESTED IN ADVERTISING ANYMORE	s36(1)(a)(v)	AO	R 11 1[illegible]3.40	48461
09/05/2017	BG SECURITY	SERVICES 07/03-27/03/2017	THE SERVICES FOR CIT ARE REQUIRED FRO THE TIME BEING.THE MUNICIPALITY WAS USING SBV THROUGH FNB AS WE WERE USING DROP BOX WHICH IS ONLY COVERED IF WE HAVE AN ALARM SYSTEM THAT IS MONITORED BY A SAIDSA CALL CENTRE WHICH UNFORTUNATELY BG IS NOT CURRENTLY.IN THE INTERIM WE ARE BANKING THE MONEY DAILY HENCE THE NEED FOR CIT SERVICES WHICH BG IS THE ONLY SERVICE PROVIDER AROUND IN OUR AREA.	s36(1)(a)(v)	AO	R 2 074.80	48482
09/05/2017	DE KLERKS BODY REPAIRS	FIT CANOPY GLASS ,STRIP AND ASSEMBLE PARTS.PAINT REPAIRS	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCRM VEHICLES.DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCRM AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING.DE KLERK'S BODY IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE CSD.	s36(1)(a)(v)	AO	R 5 874.20	48483
10/05/2017	SONDLO AND KNOPP ADVERTISING	T10/2017 UPGRADING OF COOKHOUSE WASTE WATER TREATMENT WORKS	OTHER ADVERTSING AGENCIES ARE NOT INTERESTED IN QUOTING	s36(1)(a)(v)	AAO	R 7 760.50	48492
29/05/2017	SMITH TABATA INCORPORATED	LEGAL FEES APRIL 2017 INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY ,FROM THE COMMENCEMENTOF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s36(1)(a)(v)	AO	R 16 1[illegible]1.00	48585
09/06/2017	B G SECURITY	AFTERHOURS PHONE CALLS WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS .THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 2 859.12	48735
12/06/2017	ALL CUT POWER PRODUCTS	SUPPLY PARTS AND REPAIR AS PER QUOTATION	PARTS & LABOUR TO BE DONE AGENTS ONLY	s36(1)(a)(v)	AO	R 6 473.34	48714

02/06/2017	BELL EQUIPMENT SALES	400KM TRAVEL:EXTERNAL AND LABOUR 8HRS EXTERNAL	REPAIRS ON THE MUNICIPAL VEHICLE HAD BEEN AUTHORISED AT BELL EQUIPMENT SALES .THE TLB VEHICLE DUE FOR REPAIRS IS OF THE MAKE BELL AND SERIES BACKHOE LOADER AS REGISTERED.BELL EQUIPMENT IS CURRENTLY REGISTERED ON THE BCRM SUPPLIER DATABASE.BASIS EXCESS PAYABLE BY THE BCRM WITH REGARD TO THIS CLAIM:R15000.00 AMOUNT DUE BY THE INSURER WITH REGARD TO THIS CLAIM:R21832.31(AMOUNT PAID DIRECTLY TO THE BCRM INSTEAD OF THE REPAIRER BELL) BY REASON OF BELL EQUIPMENT 'S KEY CONTROL FRAMEWORK WHICH REQUIRE A CUSTOMER ORDER TO THE FULL AMOUNT OF THE REPAIRS.	s36(1)(a)(v)	AO	R 36 832.31	48738
13/06/2017	TIMES MEDIA EC	FWQ08/2017 SUPPLY AND DELIVERY OF BUILDING MATERIAL FOR POUND	THE OTHER ADVERTISING AGENCIES ARE NO LONGER INTERESTED IN QUOTING HENCE THE TWO QUOTATIONS	s36(1)(a)(v)	AO	R 6 337.26	48845

April to June 2017	R 307 860.74
Total for 2016/17	R 2 259 723.80